

Nordecon AS
REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2015

At the meeting of the supervisory board of 27 April 2016 the supervisory board of Nordecon AS reviewed the 2015 annual report of Nordecon AS, which includes the management report and the annual accounts and to which the sworn auditor's report and the profit allocation proposal have been attached. The supervisory board of Nordecon AS resolved to approve the 2015 annual report of Nordecon AS.

The supervisory board has been formed and it has organised its activities in accordance with the articles of association of Nordecon AS and the legal acts of the Republic of Estonia.

In the year 2015, the supervisory board had in total seven (7) meetings, where, among other things, the following topics were discussed:

At the meeting of the supervisory board of 9 February 2015 the management board gave an overview of the preliminary economic results 2014 of Nordecon AS group and the supervisory board approved the budget of Nordecon AS group and the parent company for the year 2015 and the accounting rules of Nordecon AS. The supervisory board resolved on the incorporation of an affiliate company OÜ Embach Ehitus and on granting to the incorporated company an operating loan.

At the meeting of the supervisory board of 21 April 2015 the supervisory board approved the 2014 annual report and reviewed the profit allocation proposal. The supervisory board approved the agenda of the annual general meeting and supervisory board's proposal in respect of each item of the agenda. The supervisory board elected the audit committee members. The supervisory board decided on the extension of the sureties of the group companies and extension of the loans and on the construction loan of the second phase of Uus-Tammelinna.

At the meeting of the supervisory board of 10 June 2015 Toomas Luman was elected as the chairman of the supervisory board of Nordecon AS.

At the meeting of the supervisory board of 11 June 2015 the supervisory board decided to acquire for the benefit of the company the Raudsepa residential land plot in Keila town.

At the meeting of the supervisory board of 14 June 2015 it was decided to purchase a land plot in located at Jõe street, Keila town, suitable for residential development.

At the meeting of the supervisory board of 24 September 2015 the management board introduced to the supervisory board the turnover and profit forecast of Nordecon group for year 2015. The supervisory board approved the extension of the intra-group loans, the loan limit to the subsidiary SweNCN OÜ and the acquisition of a complete road maintenance base machine for Järva Teed AS. In addition to the aforementioned the supervisory board approved the commencement of the third phase of the development of Uus-Tammelinna, and negotiation with the bank regarding the conditions of financing; the commencement of the development of Hane 2 / Hane 2a and negotiation with the bank regarding the conditions of financing. The supervisory board approved the sale of the immovable located at Tulbi 2H, Tartu, the sale of the immovable located at Mõisavahe tee 85, the sale of the immovable located at Lammi tn 10, and the purchase of the immovable located at Mõisavahe tn 71 and Siili tn 4.

At the meeting of the supervisory board of 30 November 2015 the supervisory board decided to grant consent for the purchase of a plant for the manufacture of asphalt concrete, approved the extension of the loan agreement of Nordic Contractors Finance & Leasing AS and increase of the overdraft limit of Nordecon AS in the Nordea Bank AB Estonian branch.

Toomas Luman
Chairman of the supervisory board
27 April 2016