

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF NORDECON AS**

28 April 2016

The management board of Nordecon AS (the “**Company**”) (registry code 10099962, address Pärnu mnt 158/1, 11317 Tallinn) hereby convenes an annual general meeting of shareholders, which shall be held on **25 May 2016 at 10.00 am at the Radisson Blu Hotel Olümpia Conference Hall Gamma (Liivalaia 33, 10118 Tallinn).**

The list of shareholders entitled to vote at the general meeting is determined on 18 May 2016 at 23.59 pm.

The registration of the participants of the annual general meeting will take place from 9.00 am until 10.00 a.m. at the venue of the general meeting.

For registration, please submit:

- in case of a shareholder, who is a private person, a passport or ID card as a document of identification. The representative of the shareholder must also submit a written and currently valid power of attorney;
- in case of a shareholder, who is a legal entity, a currently valid extract from the respective register where the legal entity is registered and from which the authorisation of the legal entity’s representative to represent the legal entity is evident (representation by virtue of law) and a passport or ID card or any other document of identification with a photo of the representative. If the legal entity is represented by a person who is not the legal representative of the legal entity, a written and currently valid power of attorney must also be submitted.

Prior to the annual general meeting, a shareholder may notify the Company of giving a proxy or cancelling a proxy by sending a respective digitally signed notice to the e-mail address [nordecon@nordecon.com](mailto:nordecon@nordecon.com) or by delivering the notice in format which can be reproduced in writing during working days from 10.00 am until 4.00 pm to the address Pärnu mnt 158/1, 11317 Tallinn by 4.00 pm on 24 May 2016 at the latest, i.e. the last working day prior to the annual general meeting.

As per the resolution of the Company’s supervisory board of 27 April 2016, the agenda of the annual general meeting is as follows:

1. Approval of the Company’s annual report for 2015 and profit allocation proposal;
2. Election of auditor for the financial year 2016 and deciding on the remuneration payable to the auditor;
3. Decrease of the share capital of the Company

The supervisory board makes the following proposals to the shareholders:

**Item of Agenda No. 1. Approval of the Company’s annual report for 2015 and profit allocation proposal**

1.1. To approve the Company’s consolidated annual report for 2015 as submitted by the management board.

1.2. To allocate the profit of the Company as follows: The Company’s consolidated net profit for 2015 amounts to 179 thousand euros, prior period retained earning amounts to 10,791 thousand euros and, thus, total distributable profit as at 31 December 2015 amounts to 10,970 thousand euros. To allocate 923 thousand euros (0.03 euros per share) as the profit to be distributed to the shareholders (the dividend). No appropriations shall be made to the capital reserve or other reserves provided for by the law or the articles of association. After the allocations, retained earnings will amount to

10,047 thousand euros. Shareholders entitled to dividends include persons entered in the Company's share register on 6 June 2016 at 11.59 pm. No dividends shall be paid to the Company for own shares, the number of eligible shares is 30,756,728. The dividends will be distributed to the shareholders on 22 June 2016 at the latest.

**Item of Agenda No. 2. Election of auditor for the financial year 2016 and deciding on the remuneration of the auditor**

The management board has carried out a procurement in spring 2014 for appointment of an audit firm for the Company for the next 3-year period (annual periods 2014-2016) and has selected KPMG Baltics OÜ from the submitted offers as the best candidate in terms of quality and the price of the service. The auditor has confirmed as required by the Corporate Governance Code that it has no work, economic or other relations that would threaten its independence while rendering auditing service.

Audit firm KPMG Baltics OÜ has rendered auditing service to the Company in 2015 based on the contracts signed in 2015. KPMG Baltics OÜ has been rendering auditing services in accordance with the aforementioned contract and the Company has no objections to the quality of the auditing service.

- 2.1. To elect audit firm KPMG Baltics OÜ as the auditor of the Company for the financial year 2016 and to pay for the services according to the agreement to be signed with the auditor.

**Item of Agenda No. 3. Decrease of the share capital of the Company**

3.1. To decrease the share capital of the Company by 971,264.49 euros from 20,691,704.91 euros to 19,720,440.42 euros. The share capital will be decreased by reducing the book value of the shares by 0.03 euro. The total number of the shares will not change and the book value of shares shall be reduced proportionately to the reduction of the share capital. As a result of the decrease of the share capital, the share capital of the company will be 19,720,440.42 euros that is divided into 32,375,483 shares with book value.

3.2 Upon decrease of the share capital to make payments to the shareholders in the amount of 0.03 euros per share, in the total amount of 922,701.84 euros. The payments to the shareholders shall be made no earlier than three months after the registration of the reduction of the share capital with the commercial register.

3.3 The share capital is decreased to improve the structure of capital in order to bring the amount of the share capital into alignment with the volume of business and strategic goals. The reduced amount of the share capital is in compliance with the requirements set out by the legislation and the articles of association.

3.4 The list of shareholders who shall participate in the decreasing of the share capital will be fixed as of 6 June 2016 at 11:59 pm.

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The 2015 annual report of the Company and the independent auditor's report are available for review on the website of NASDAQ OMX Tallinn Stock Exchange [www.nasdaqomxbaltic.com](http://www.nasdaqomxbaltic.com).

All documents pertaining to the annual general meeting of the Company, inter alia the draft resolutions and including the reasoning of such addition, resolutions of items to the meeting's agenda proposed by shareholders, the 2015 annual report, independent auditor's report, profit allocation proposal and the written report of the council regarding the annual report and any other documents and relevant information to be published under the law or related to the meeting's items are available for review starting from 29 April 2016 on the website of the Company [www.nordecon.com](http://www.nordecon.com). Questions related to

the annual general meeting and its agenda can be sent to the e-mail address [nordecon@nordecon.com](mailto:nordecon@nordecon.com). The questions, answers and shareholder's propositions relating to the items on agenda will be published on the website of the Company [www.nordecon.com](http://www.nordecon.com).

A shareholder has a right to receive information on the activities of the Company from the management board at the general meeting. If the management board refuses to disclose the information, the shareholder may demand that the general meeting decides on the lawfulness of the shareholder's request or to file within two weeks from the general meeting a petition to a court by way of proceedings on petition to compel the management board to disclose the information.

Shareholders, whose shares represent at least 1/20 of the share capital of the Company, may propose draft resolutions with respect to each item on the agenda. Proposals must be sent in writing to the Company at the address Pärnu mnt 158/1, 11317 Tallinn, at least 3 days prior to the general meeting, i.e. by 22 May 2016.

Shareholders, whose shares represent at least 1/20 of the share capital of the Company, may request that additional items be added on the agenda of the annual general meeting. The request must be sent in writing to the Company at the address Pärnu mnt 158/1, 11317 Tallinn, at least 15 days prior to the general meeting, i.e. by 10 May 2016.