

## **DECISIONS OF THE SUPERVISORY BOARD MEETING OF AS MERKO EHITUS AT MAY 6<sup>th</sup> 2013**

All the members of the Supervisory Board attended the meeting therefore the meeting was capable to exercise will.

### **I APPROVAL OF THE PROPOSALS OF THE SUPERVISORY BOARD FOR THE AGENDA OF THE ANNUAL GENERAL MEETING TO BE HELD ON 5 JUNE 2013 AND FOR THE DRAFT RESOLUTIONS OF THE ANNUAL GENERAL MEETING**

Approve the agenda of the annual general meeting of AS Merko Ehitus, to be held on 5 June 2013, and the proposals of the Supervisory Board for the draft resolutions of the annual general meeting as follows:

#### **1. Approval of the annual report of the year 2012 and overview of the economic results and the prospective of the ongoing year**

The Supervisory Board proposes to the shareholders to approve the annual report of the financial year 2012 of AS Merko Ehitus and to consider the Management Board's overview of the economic results and prospective outlooks of the ongoing year.

#### **2. Proposal on distribution of profits**

Supervisory Board proposes to:

- (i) approve the net profit for the year 2012 as EUR 7,627,029;
- (ii) pay the shareholders the total amount of EUR 5,310,000 as dividends from net profit brought forward, which totals to EUR 0.3 per share;

shareholders, entered into the share register of AS Merko Ehitus on June 26<sup>th</sup> 2013, at 23.59, will be entitled to dividends;

dividends will be paid to the shareholders on July 3<sup>rd</sup> 2013 by transferring the amount concerned to shareholder's bank account, linked to security account;

- (iii) the outstanding net profit will not be distributed.

#### **3. Recall of Supervisory Board member**

The Supervisory Board proposes to recall Tõnu Toomik from the Supervisory Board with the objective to appoint Tõnu Toomik as the member of the Management Board of AS Merko Ehitus. The authorization of Tõnu Toomik, as the member of Supervisory Board will end as at June 5<sup>th</sup> 2013.

### **II APPROVAL OF THE ACTIVITIES REPORT OF THE SUPERVISORY BOARD**

Approve the report on the activities of the Supervisory Board of AS Merko Ehitus in the financial year 2012 (see note 1).

**Signatures:**

**REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF THE PUBLIC  
LIMITED COMPANY MERKO EHITUS IN THE FINANCIAL YEAR 2012**

**The Supervisory Board of AS Merko Ehitus (hereinafter the Supervisory Board) has prepared and endorsed the current report, which serves to provide an overview of the activities of the Supervisory Board in managing the group, consisting of AS Merko Ehitus and its subsidiaries, and organising its work, and was drawn up to be submitted at the regular general meeting of shareholders of AS Merko Ehitus (hereinafter the General Meeting).**

**The current members of the Supervisory Board, Toomas Annus, Tõnu Toomik, Teet Roopalu, Indrek Neivelt and Olari Taal were elected at the regular general meeting of shareholders on June 28<sup>th</sup> 2011. According to article 30 of the Articles of Association of AS Merko Ehitus, the members of Supervisory Board shall be elected for the term of three years.**

The Supervisory Board has reviewed the annual report for the year 2012, submitted to the general meeting by the Management Board of AS Merko Ehitus (hereinafter the Management Board), which consists of the book-keeping reports, management report, report by a sworn auditor and proposal for the distribution of profits. **The Supervisory Board has decided to approve the annual report for 2012, prepared by the Management Board.**

The work of the Supervisory Board was organised in 2012 by the Chairman of the Supervisory Board, Mr. Toomas Annus.

The Supervisory Board has complied with the effective legislation and within the limits of authorisations, granted by the Articles of Association of AS Merko Ehitus, when managing and organising the works of AS Merko Ehitus.

Issues related to the management and activities of AS Merko Ehitus, which are beyond the limits of regular economic activities, have been discussed at the meetings of the Supervisory Board, which have taken place in 2012. According to the Articles of Association of AS Merko Ehitus, the consent of the Supervisory Board is required for concluding transactions, which involve:

- making investments into new spheres of business and making investments, which exceed the amounts, allocated for investment purposes in the budget for the financial year and for every investment, having the value above EUR 3,000,000; or
- for commencing and winding up business in other countries, including the establishment or acquisition of trading companies, subsidiaries or permanent places of business and winding them up, closing or transferring of; or
- establishment, transfer or winding up of a subsidiary with a share capital or equity above EUR 500,000; or
- acquisition or transfer of minority participation in companies, not involved immediately in the main business; or

- transfer of a registered immovable, of the value of the transaction is above EUR 3,000,000; or
- granting loans to any third parties or securing the commitments of any third parties, except in cases where the loan amount does not exceed EUR 3,000,000; and the entity being granted a loan or whose commitments are secured is the Company's subsidiary or related company; or the loan concerned is granted to fund construction works, conducted by the Company, and the loan is secured with a mortgage, established on the registered immovable, serving as the location of a building, built as the result of construction works, financed with the granted, in the favour of the Company.

The Supervisory Board thanks the management and employees of companies, belonging to AS Merko Ehitus group for their contribution to the development of Merko Ehitus group over the last financial year.

**The Supervisory Board thanks the shareholders of AS Merko Ehitus for trust and hopes that its activities have been sufficient to ensure diversified protection of the shareholders' interests.**

**Signatures:**

May 6<sup>th</sup> 2013