

DRAFT RESOLUTIONS OF THE REGULAR GENERAL MEETING OF SHAREHOLDERS OF AS MERKO EHITUS, WHICH IS TO TAKE PLACE ON 28.06.2011

In connection with the general meeting of AS Merko Ehitus (registry code 11520257) which is to take place on June 28th 2011 the Management Board of AS Merko Ehitus has drawn up the draft resolutions according to agenda of the general meeting in notice on convening a regular meeting of shareholders.

The general meeting of shareholders of AS Merko Ehitus held on June 28th 2011 decided:

1. Approval of the annual report of the year 2010 and overview of the economic results and the prospective of the ongoing year

To approve the annual report of the year 2010 and to consider the Management Board's overview of the economic results and prospective outlooks of the ongoing year.

2. Decision regarding the distribution of profits

To approve the proposal on distribution of profits:

- (i) to approve the net profit for the year 2010 as 19,232,573 Estonian kroons (1,229,185.45 Euros);
- (ii) to pay the shareholders the total amount of 1,770,000 Euros (27,694,482 Estonian kroons) as dividends from net profit brought forward, which totals to 0.1 Euros (1.56 Estonian kroons) per share;

shareholders, entered into the share register of AS Merko Ehitus on July 12th 2011, at 23.59, will be entitled to dividends;

dividends will be paid to the shareholders on July 19th 2011 by transferring the amount concerned to shareholder's bank account, linked to security account;
- (iii) the outstanding net profit will not be distributed.

3. Modification of Articles of Association

To change the Articles 3, 4, 8 and 22 of the Articles of Association of AS Merko Ehitus in following wording:

3.1 To amend section 3 and reword it as follows: "3. The minimum share capital of the Company is 6,000,000 (six million) Euros and the maximum share capital is 24,000,000 (twenty-four million) Euros. The size of the share capital can be changed as per prescribed procedures. "

3.2 To amend section 4 and reword it as follows: "4. The Company has 17,700,000 shares without nominal value. "

3.3 To amend section 8 and reword it as follows: "8. Upon increasing of the share capital, shareholders have the right to subscribe for new shares in proportion to the sum of their shares' book value, unless otherwise is prescribed by law. "

3.4 To specify section 22 and reword it as follows: "22. If the votes referred to in section 21 of the Articles of Association are not represented at a general meeting, the management board shall summon within three weeks but not earlier than after 7 days a new general meeting with the same order of business. The new general meeting has a quorum regardless of the number of votes represented at the meeting. "

4. Recalculation of the share capital into Euros, taking into use of shares without nominal value and increasing of the share capital

In conjunction with accession of the Republic of Estonia to the euro zone on January 1st 2011 and pursuant to amendments to the Commercial Code which entered into force on July 1st 2010:

4.1. to carry out recalculation of the share capital of AS Merko Ehitus from 177,000,000 Estonian kroons to 11,312,361.79 Euros and to take into use shares without nominal value. The share capital of AS Merko Ehitus is divided into 17,700,000 shares without nominal value;

4.2. to increase the share capital of AS Merko Ehitus by way of bonus issue on the account of retained profits by 687,638.21 Euros by means of increasing the book value of shares of AS Merko Ehitus so that the new size of the share capital will be 12,000,000 Euros. The new book value of the shares will be 0.67797 Euros. The bonus issue is based on the annual report of AS Merko Ehitus of the year 2010 which has been approved by the general meeting of shareholders. A list of shareholders entitled to participate in the bonus issue shall be fixed on 12.07.2011 at 23:59. The size of the share capital and the book value of shares is increased by way of making an entry in the commercial register which will presumably take place prior to 20.07.2011;

4.3. rounding of the results of recalculation of the nominal value or the size of the share capital bear no legal meaning pursuant to this decision.

5. Extension of powers of members of the current Supervisory Board and election of an additional member of the Supervisory Board

5.1. To extend the terms of office of members of the Supervisory Board Tõnu Toomik, Teet Roopalu, Indrek Neivelt and Olari Taal until June 28th 2014, i.e. for a period of three years from the moment of deciding the extension.

5.2. To elect Toomas Annus an additional member of the Supervisory Board, in addition to the current members of the Supervisory Board, whose term of office endures until June 28th 2014.

5.3. To continue remuneration of members of the Supervisory Board, including the new member of the Supervisory Board, based on terms and conditions approved at general meeting of shareholders of AS Merko Ehitus, held on 31.10.2008.

6. Decision about entry into an authorisation agreement with the new member of the Supervisory Board

To grant an agreement for entry into a contract of a Supervisory Board member between the new member of the Supervisory Board Toomas Annus and AS Merko Ehitus on terms and conditions similar to the ones of contracts entered into with current members of the Supervisory Board, being guided by the terms and conditions of remuneration of members of the Supervisory Board as approved by the shareholders, as well as by the requirements prescribed to remuneration of members of the Supervisory Board as described in the Commercial Code.

7. Appointment of representative of AS Merko Ehitus for entry into a transaction between a member of the Supervisory Board and AS Merko Ehitus

To appoint the chairman of the Management Board Tiit Roben the representative of AS Merko Ehitus for entry into the authorisation agreement referred to in section 6.

8. Appointment of auditor for the financial year of 2011

To appoint AS PricewaterhouseCoopers the auditor of AS Merko Ehitus for the financial year of 2011 and to pay to the auditing company for auditing the financial year of 2011 as per contract to be entered into with AS PricewaterhouseCoopers.