

DRAFT RESOLUTIONS OF THE REGULAR GENERAL MEETING OF SHAREHOLDERS  
OF AS MERKO EHITUS, WHICH IS TO TAKE PLACE ON 29.04.2015

**1. Approval of the annual report of the year 2014 and overview of the economic results and the prospective of the on-going year**

To approve the annual report of the year 2014 and to consider the Management Board's overview of the economic results and prospective outlooks of the on-going year.

**2. Proposal on distribution of profits**

Supervisory Board proposes to:

- (i) approve the net profit for the year 2014 as EUR 12,416,623;
- (ii) pay the shareholders the total amount of EUR 7,257,000 as dividends from net profit brought forward, which totals to EUR 0.41 per share;

shareholders, entered into the share register of AS Merko Ehitus on May 22<sup>nd</sup> 2015, at 23.59, will be entitled to dividends;

dividends will be paid to the shareholders on May 26<sup>th</sup> 2015 by transferring the amount concerned to shareholder's bank account, linked to security account;

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

**3. Proposal on reduction of share capital**

Considering the perspectives of the Baltic construction market in the coming years and the related need for capital by Merko Ehitus group, the share capital would be reduced in order to improve the group's capital structure and support return on equity. AS Merko Ehitus lacks the need to possess share capital in the existing amount and the requirements that legislation imposes on share capital will also be fulfilled in the case of the reduced share capital.

Based on the above, the Supervisory Board proposes to:

- (i) reduce the share capital of the public limited company by EUR 4,071,000 from the current EUR 12,000,000 to EUR 7,929,000

- (ii) share capital will be reduced by way of reducing the book value of the shares by EUR 0.23 from the current EUR 0.677966 to EUR 0.447966;

the number of shares will remain the same – 17,700,000 shares;

- (iii) pursuant to the articles of association of Merko Ehitus, the minimum share capital of the company is EUR 6,000,000 and the maximum share capital is EUR 24,000,000;

after the registration of the reduction of share capital in the Commercial Register the new share capital will amount to EUR 7,929,000 which is in line with the company's articles of association consisting of 17,700,000 shares, each with a book value of EUR 0.447966;

- (iv) shareholders, entered into the share register of AS Merko Ehitus on May 22nd 2015, at 23.59, will be entitled to the monetary payments from the reduction of share capital;
- (v) the monetary payments to the shareholders in the amount of EUR 0.23 per share, related to the reduction of share capital shall be made within the period prescribed by law, i.e. latest within 3 (three) months after the registration of the reduction of share capital in the Commercial Register.

#### **4. Appointment of auditor for the financial years of 2015-2017**

To appoint AS PricewaterhouseCoopers the auditor of AS Merko Ehitus for the financial years of 2015 through 2017 and to pay to the auditing company for auditing as per contract to be entered into with AS PricewaterhouseCoopers.