

Minutes No.1/16
of the annual general meeting of
JSC “VEF RADIOTEHNIKA RRR”

3D Kurzemes prospekts, Rīga
July 01, 2016, 4 pm.

Based on the decision of the Board of JSC “VEF Radiotehnika RRR” about holding the meeting of shareholders which has been published in newspapers “Diena” on June 02, the meeting is declared open.

Chairman of the Council Mr. Boriss Livča opens the meeting.

Member of the Board Mr. Ēriks Ertmanis informs that according to the registration data shareholders or their authorized persons are present at the meeting, which makes owners of **2 408 797** shares with a right of voting and which makes **94.42 %** of paid statute capital. Registration of shareholders has been done in accordance with list approved by Central Latvian Depository and listings of closed share emissions. Registration documents with signatures of representatives of shareholders and their authorized persons have been attached to the copy of minutes kept in the JSC. Paid statute capital of JSC is LVL 2 549 084.

The meeting is legitimate and can start discussing the subjects included in the agenda.

Member of the Board Mr. Ēriks Ertmanis announces the list of shareholders present at the meeting:

Eduards Maļejevs (741880 shares, 29.10% of paid statute capital)

Vjačeslavs Mihailovins (695 shares, 0.0002% of paid statute capital)

Jurijs Maļejevs (864512 shares, 33.91% of paid statute capital)

The Attorney of Inga Spruga – Jānis Salenieks (65567 shares, 2.57% of paid statute capital)

The Attorney of Jekaterina Maļejeva – Jurijs Maļejevs (270000 shares, 10.59% of paid statute capital)

Genadijs Hotejevs (1624 shares, 0.006% of paid statute capital)

Ēriks Ertmanis (200000 shares, 7.86% of paid statute capital)

The Attorney of Armands Maļejevs - Eduards Maļejevs (264519 shares, 10.38% of paid statute capital)

Chairman of the Council Boriss Livča;

Members of the Council: O.Romanko, Genadijs Hotejevs, Inārs Kļāviņš, Vjačeslavs Mihailovins;

Chairman of the Board Eduards Maļejevs

Member of the Board Ēriks Ertmanis

Advisor of the Company – Jānis Salenieks

With 100% of the votes of shareholders present the decision has been taken:

- to elect Genadijs Hotejevs as the vote counter.

With 100% of the votes of shareholders present the decision has been taken:

- to elect Jānis Salenieks as the speaker of the meeting.

With 100% of the votes of shareholders present the decision has been taken:

- to elect Vjačeslavs Mihailovins as the secretary of the meeting.

With 100% of the votes of shareholders present the decision has been taken:

- to elect shareholders Ēriks Ertmanis and Jurijs Maļejevs as authorized signatures of the minutes of the meeting.

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Chairman of the meeting announces the agenda of the meeting:

1. Report of the Board of JSC „VEF Radiotehnika RRR” on the results of activities in year 2015.
2. Report of the Council of JSC „VEF Radiotehnika RRR” on the results of activities in year 2015.
3. Report of the sworn auditor of JSC „VEF Radiotehnika RRR”.
4. Confirmation of the report of JSC „VEF Radiotehnika RRR” on the results of activities in year 2015.
5. Distribution of profit of JSC „VEF Radiotehnika RRR” in year 2015.
6. Approval of the budget of JSC „VEF Radiotehnika RRR” and the plan of activities in year 2016.
7. Approval of the sworn auditor of JSC „VEF Radiotehnika RRR” for year 2016 and determination of the remuneration for auditor.
8. Denomination of a par value of shares from lats to euro and amendments to the Articles of Association.
9. Other questions

1. Report of the Board on the results of 2015

With 100% of the votes of shareholders present the decision has been taken:

Accept the report of the Board on the results of 2015

2. Council report on the results of 2015

With 100% of the votes of shareholders present the decision has been taken:
Accept Council report on the results of 2015

3. Report of the sworn auditor.

With 100% of the votes of shareholders present the decision has been taken:
To take into consideration the report of the sworn auditor.

4. Acceptance of the balance of 2015

With 100% of the votes of shareholders present the decision has been taken:
Accept the balance of 2015

5. Sharing of profit of 2015

The member of Board E.Ertmanis reports that in 2015 Company profit was EUR 43068.
With 100% of the votes of shareholders present the decision has been taken:
To cover company's previous years losses with year 2015 profit of EUR 43068.

6. Acceptance of JSC budget and plan of activities for 2016.

With 100% of the votes of shareholders present the decision has been taken:

To approve the budget and plan of activities of 2015 for JSC "VEF Radiotehnika RRR" (The calculations shown in EUR including VAT):

1 Income	2211351
1.1.Income from rent and public services	1007258
1.2. Income from selling produced goods	1204093
2. Industrial expenses	1791862
2.1. Depreciation	285500
2.2. Salary with tax	129777
2.3.Public services	756170
2.3. Industrial materials and services	620415
3. Gross profit	419489
4. Selling costs	179703
5. Indirect costs	89520
6. Profit from other commercial activity	150266
7. Interest payment	26971
8.Profit before property interest	123295
9. Immovable property interest	21335
10.Profit after interest	101960

The Company plans to restore the acoustic system and the housing development, organization of production and marketing. The Company's ability to continue operations is dependent on its ability to successfully realize the intended sale of real estate transactions, as well as restoring production capacity. As at the approval of the Company it has received production orders for 114 thousand euros. The Company's management believes that it will be able to stabilize the Company's operations in 2016 to realize the planned sale of real estate transactions, to settle with the SEB bank and the implementation of the TAP plan for the measures provided for, in particular, to start production in order to restore the Company's revenues, profits and positive cash flow.

7. Election of sworn auditor

With 100% of the votes of shareholders present the decision has been taken:

To elect „Gran Thornton Baltic” ,Ltd (Certified Auditor company license Nr. 155) as sworn auditor of JSC "VEF Radiotehnika RRR" for year 2016 and establish remuneration to the Auditor of the JSC "VEF Radiotehnika RRR" for performance of duties in the auditor's office during 2016 as amounting to EUR 4500.00

8. Denomination of a par value of shares from lats to euro and amendments to the Articles of Association

With 100 % of the votes of shareholders present the decision has been taken:

Shares in JSC "VEF Radiotehnika RRR" shall be denominated from lats (LVL) to euro (EUR).
It shall be determined that following the denomination of shares, the equity capital of JSC "VEF Radiotehnika RRR" is 3 568 717,60 EUR (three million five hundred sixty eight thousand seven hundred and seventeen euro 60 cents) and it consists of 2 549 084 shares of a par value of 1,40 EUR (one euro and 40 cents) each.

Denomination date shall be on the 15th (fifteenth) working day following the registration of amendments to the Articles of Association of JSC "VEF Radiotehnika RRR" in the Commercial Register of the Register of Enterprises of the Republic of Latvia.

The remaining value in the amount of EUR 58 302,40 resulting from denomination shall be transferred to the JSC "VEF Radiotehnika RRR" reserve fund on the date of denomination.

Articles of Association of JSC "VEF Radiotehnika RRR" shall be amended, with Clause 3.1. of the Articles of Association stated as follows:

"3.1. The Company's equity capital is 3 568 717,60 EUR (three million five hundred sixty eight thousand seven hundred and seventeen euro 60 cents) and it consists of 2 549 084 shares of a par value of 1,40 EUR (one euro and 40 cents) each. All shares give equal rights to vote at the shareholders' meeting, to receive dividends and to receive liquidation quota. 1 916 746 shares out of the total number of shares in the Company are bearer shares in the dematerialized form and 632 338 shares out of the total number of shares in the Company are registered shares in the dematerialized form."

9. Other questions

No other questions was discussed.

Consequently, the current shareholders ordinary meeting agenda issues are considered and the host of the online meeting is invited to make comments or suggestions about the meeting. On July 01, 2016 at 4:50 p.m. the meeting was closed.

Speaker of the meeting: J.Salienieks (signature)

Secretary V.Mahailovins (signature)

Meeting minutes correctly declare:

Ē.Ertmanis (signature)

J.Maļejevs (signature)