

Minutes No.1/17
of the annual general meeting of
JSC “VEF RADIOTEHNIKA RRR”

3D Kurzemes prospekts, Riga
May 02, 2017, 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 March 31, 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 **2 409 165** shares with a right of voting and which makes **94.51** % 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 3 568 718.00 EUR.

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)

The Attorney of Daina Torstere – Jānis Salenieks (368 shares, 0.00014% 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 2016.
2. Report of the Council of JSC „VEF Radiotehnika RRR” on the results of activities in year 2016.
3. Report of the Revision committee of JSC „VEF Radiotehnika RRR” on the results of activities in year 2016.
4. Report of the sworn auditor of JSC „VEF Radiotehnika RRR”.
5. Confirmation of the report of JSC „VEF Radiotehnika RRR” on the results of activities in year 2016.
6. Distribution of profit of JSC „VEF Radiotehnika RRR” in year 2016.
7. Approval of the budget of JSC „VEF Radiotehnika RRR” and the plan of activities in year 2017.
8. Approval of the sworn auditor of JSC „VEF Radiotehnika RRR” for year 2017 and determination of the remuneration for auditor.
9. Election of the Revision committee of JSC „VEF Radiotehnika RRR” for year 2017.
10. Other questions

1. Report of the Board on the results of 2016

With 100% of the votes of shareholders present the decision has been taken:
Accept the report of the Board on the results of 2016

2. Council report on the results of 2016

With 100% of the votes of shareholders present the decision has been taken:
Accept Council report on the results of 2016

3. Revision committee report on the 2016 results

With 100 % of the votes of shareholders present the decision has been taken:
To take into consideration revision committee report on the 2016 results of operations.

4. 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.

5. Acceptance of the balance of 2016

With 100% of the votes of shareholders present the decision has been taken:
Accept the balance of 2016

6. Sharing of profit of 2016

The member of Board E.Ertmanis reports that in 2016 Company losses was EUR 1 004 681.
With 100% of the votes of shareholders present the decision has been taken:
Year 2016 losses is expected to cover with future taxable profits received from the production.

7. Acceptance of JSC budget and plan of activities for 2017.

With 100% of the votes of shareholders present the decision has been taken:
To approve the budget and plan of activities of 2017 for JSC "VEF Radiotehnika RRR" (The calculations shown in EUR including VAT):

1 Income	1267325
1.1.Income from rent and public services	589325
1.2. Income from selling produced goods	678000
2. Industrial expenses	1081607
2.1. Depreciation	192714
2.2. Salary with tax	137300
2.3.Public services	530393
2.3. Industrial materials and services	221200
3. Gross profit	185718
4. Selling costs	15860
5. Indirect costs	76930
6. Profit from other commercial activity	92928
7. Interest payment	-
8.Profit before property interest	92928
9. Immovable property interest	4928
10.Profit after interest	88000

The Company plans to restore the acoustic system and the housing development, organization of production and marketing. The Company's management believes that it will be able to stabilize the Company's operations in 2017 to start production in order to restore the Company's revenues, profits and positive cash flow.

8. 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 2017 and establish remuneration to the Auditor of the JSC "VEF Radiotehnika RRR" for performance of duties in the auditor's office during 2017 as amounting to EUR 5400.00

9. Election of the audit committee

With 100 % of the votes of shareholders present the decision has been taken:
Hand over the tasks of the audit committee to the supervisory authority - the Council

10. 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 5:05 p.m. the meeting was closed.

Speaker of the meeting: J.Salienieks (signature)

Secretary V.Mihailovins (signature)

Meeting minutes correctly declare:

Ē.Ertmanis (signature)

J.Maļejevs (signature)