



**NOTARY PUBLIC OF TALLINN LIINA VAIDLA**

NOTARY'S BOOK OF PROFESSIONAL ACTIVITIES

REGISTRY NUMBER

**1346**

**MERGER AGREEMENT**

**This notarial deed has been prepared and certified on the twenty first of July year two thousand and sixteen (21.07.2017) by Liina Vaidla, a notary public of Tallinn, whose Office is located in Tallinn, Narva mnt 5, and the participants in this notarial deed are**

**AS Trigon Property Development**, registry code 10106774, address Viru Väljak 2, Metro Plaza, Tallinn, e-mail address info@trigonproperty.com, hereinafter the **Acquiring Company**, represented by the Management Board member, entered into the registry card of the company, **Aivar Kemp**i, personal identification code 35809245215, whose identity has been ascertained on the basis of the PBGB database (*the person certifying the notarial deed has verified the legal capacity of the Acquiring Company and the representative's right of representation in the e-Notary system on the basis of the registry data print-out on the day of certifying this notarial deed*),

**OÜ VN Niidu Kinnisvara**, registry code 11217910, address Viru Väljak 2, Metro Plaza, Tallinn, e-mail address a.kempi@trigoncapital.com, hereinafter the **Company Being Acquired**, represented by the Management Board member, entered into the registry card of the company, **Aivar Kemp**i, personal identification code 35809245215, whose identity has been ascertained on the basis of the PBGB database (*the person certifying the notarial deed has verified the legal capacity of the Company Being Acquired and the representative's right of representation in the e-Notary system on the basis of the registry data print-out on the day of certifying this notarial deed*),

**The Acquiring Company and the Company Being Acquired hereinafter jointly referred to as the Merging Companies.**

**The Merging Companies hereby conclude a merger agreement as follows:**

**1. PURPOSE OF THE AGREEMENT**

The purpose of the agreement is the merger of the parties without liquidation proceedings, whereas the Company Being Acquired is considered to be ended upon the entry of the merger on the registry card of the Acquiring Company and the Acquiring Company and the

Company Being Acquired shall continue activities under the business name of the Acquiring Company.

## **2. MERGING COMPANIES**

- 2.1. The Acquiring Company is AS Trigon Property Development**, that has been entered into the Commercial Register on 28.10.1996.; the following data has been entered on the registry card – business name: AS Trigon Property Development, place of residence is Tallinn; registry code 10106774; amount of share capital: 2 699 436.60 EUR; Management Board member: Aivar Kempfi, personal identification code 35809245215; right of representation of the Management Board member: Every member of the Management Board may represent the public limited company in concluding all transactions; the beginning of the financial year 01.01; the end of the financial year 31.12; the date of approval of the articles of association 29.06.2011. a.
- 2.1.1.** The certifier of the notarial deed has on the date of this agreement (21.07.2016) just before certifying the transaction verified the owners of the securities and the restrictions in regard to the owners of the securities through the network of the Estonian Central Register of Securities on the basis of an inquiry about the owners of the securities.
- 2.2. The Company Being Acquired is OÜ VN Niidu Kinnisvara**, that has been entered into the Commercial Register on 29.03.2006.; the following data has been entered on the registry card – business name: OÜ VN Niidu Kinnisvara, place of residence is Tallinn; registry code 11217910; the amount of share capital: 2 556.00 EUR; Management Board member: Aivar Kempfi, personal identification code 35809245215; right of representation of the Management Board member: Every member of the Management Board may represent the private limited company in concluding all transactions; the beginning of the financial year 01.01; the end of the financial year 31.12; the date of approval of the articles of association 18.10.2011. a.
- 2.3.** According to the shareholders list issued by Management Board of the Company Being Acquired as of 21.07.2016, the single shareholder of the Company Being Acquired is **AS Trigon Property Development**, registry code 10106774, which owns the share with the nominal value of two thousand five hundred fifty six (2556) EUR, which constitutes one hundred (100) per cent of share capital of the company, and the shareholders list does not contain a note about pledging or encumbering otherwise of the share.

## **3. REPRESENTATIONS AND WARRANTIES OF THE MERGING COMPANIES**

- 3.1. The representative of the Acquiring Company represents and warrants that:**
- 3.1.1.** All data set out in this Agreement with respect to the Acquiring Company is true and correct.
- 3.1.2.** No resolution on the alteration of the share capital of the Acquiring Company has been adopted until the conclusion of this agreement.
- 3.1.3.** There are no other restrictions in regard to the owners of securities of the Acquiring Company, which have not been reported in the list of owners of the securities of the Acquiring Company. The assets of the Acquiring Company have not been encumbered with a commercial pledge.
- 3.1.4.** The Acquiring Company has been informed about the economic activities, assets and liabilities of the Company Being Acquired and as of entering into this agreement does

not have any claims regarding the economic status, assets or liabilities of the Company Being Acquired.

- 3.1.5.** There are no circumstances which would hinder or preclude the right of the Acquiring Company to conclude this agreement;
- 3.1.6.** The Acquiring Company has full legal capacity and by concluding this merger agreement the interests of the creditors or the financial status of the Acquiring Company is not damaged and termination has not been decided.
- 3.1.7.** The Acquiring Company is not in bankruptcy; no bankruptcy proceedings have been initiated against the Acquiring Company, no bankruptcy warnings have been filed with respect to the Acquiring Company.
- 3.1.8.** His authorities as the management board member are valid, he has not been recalled from the management board, his authorities have not been abolished, and he has all the powers to conclude this agreement on behalf of the Acquiring Company.

**3.2. The representative of the Company Being Acquired represents and warrants that:**

- 3.2.1.** All data set out in this Agreement with respect to the Company Being Acquired is true and correct.
- 3.2.2.** No resolution on the alteration of the share capital of the Company Being Acquired has been adopted until the conclusion of this agreement;
- 3.2.3.** There are no rights of third parties with respect to the share of the Company Being Acquired. The assets of the Company Being Acquired have not been encumbered with a commercial pledge and no third party has either a legal or a contractual right to apply for such a right.
- 3.2.4.** The share of the Company Being Acquired is not registered in the Estonian Central Register of Securities,
- 3.2.5.** The assets transferred to the Acquiring Company during the merger that are not subject to registration belong to the Company Being Acquired; those assets are not encumbered with rights of third parties; no third party consent is necessary for transfer of those assets; the assets to be transferred have not been sold to anyone and the assets are not subject to any disputes and have not been arrested.
- 3.2.6.** The documents submitted to the Acquiring Company by the Company Being Acquired report all the company's assets and liabilities and the Company Being Acquired does not have liabilities, the Company Being Acquired has not issued guarantees and collaterals and the assets of the Company Being Acquired are not charged with encumbrances and restrictions to third parties, which have not been reported in the aforementioned documents or in the merger agreement.
- 3.2.7.** The Company Being Acquired has been informed about the economic activities, assets and liabilities of the Acquiring Company and as of entering into this agreement does not have any claims regarding the economic status, assets or liabilities of the Acquiring Company.
- 3.2.8.** There are no circumstances which would hinder or preclude the right of the Company Being Acquired to conclude this agreement.
- 3.2.9.** The Company Being Acquired has full legal capacity and by concluding this merger agreement the interests of the creditors or the financial status of the Company Being Acquired is not damaged and termination has not been decided.
- 3.2.10.** The Company Being Acquired is not in bankruptcy; no bankruptcy proceedings have been initiated against the Company Being Acquired, no bankruptcy warnings have been filed with respect to the Company Being Acquired.

**3.2.11.** His authorities as the management board member are valid, he has not been recalled from the management board, his authorities have not been abolished, and he has all the powers to conclude this agreement on behalf of the Company Being Acquired.

**3.3. The Merging Companies** represent and warrant that:

**3.3.1.** They are aware that the merger cannot be contested after it has been entered into the commercial register of the seat of the Acquiring Company.

**3.3.2.** They have examined the documents which form the basis for the conclusion of this Agreement, they deem these documents to be sufficient for the conclusion of the Agreement and they do not wish additional documents to be obtained or the circumstances pertaining to the transaction to be further verified by the certifier of the notarial deed.

**3.3.3.** They have examined the list of owners of the securities of the Acquiring Company and they do not wish to annex it to this agreement.

#### **4. MERGER**

**4.1.** The Company Being Acquired shall merge with the Acquiring Company on the terms and conditions set forth in this Agreement and in the laws of the Republic of Estonia. As a result of the merger, the Company Being Acquired shall be dissolved without liquidation proceedings and the Acquiring Company shall succeed to all the rights and obligations of the Company Being Acquired.

**4.2.** After the merger the Acquiring Company shall continue its activities under its business name – **AS Trigon Property Development**.

**4.3.** Whereas all the shares in the Company Being Acquired are held by the Acquiring Company, this Merger Agreement shall not be audited by an auditor (§ 394 (2)) of the Commercial Code). In case later on a need for an audit occurs, the auditor shall be paid remuneration on the basis of an invoice issued by the auditor.

**4.4.** Pursuant to NASDAQ OMX Tallinn Stock Exchange Rules and Regulation part “Requirement for Issuers” the Merging Companies shall execute a merger report.

**4.5.** Pursuant to Article 403 (4) of the Commercial Code, the shares of a Company Being Acquired which are held by the Acquiring Company shall not be exchanged and shall become invalid upon entry of the merger in the commercial register. No additional payments shall be made and the share capital of the Acquiring Company shall not be increased in connection with the merger.

**4.6.** For the rights and obligations to arise from this merger agreement, the agreement has to be approved by the general meeting of shareholders of the Acquiring Company.

#### **5. EMPLOYEES AND MANAGEMENT**

**5.1.** The Company Being Acquired does not have any employees.

**5.2.** No benefits shall be granted to the members of the management board of the Parties in relation to the merger.

**5.3.** Upon entry of the merger into the commercial register, the authorities of the member of the Management Board of the Company Being Acquired shall.

#### **6. TRANSFER OF THE ASSETS AND BALANCE SHEET DATE OF THE MERGER**

- 6.1. The Acquiring Company and Company Being Acquired have agreed that the Company Being Acquired shall transfer all its assets, including rights and obligations, in full to the Acquiring Company. All the rights and obligations held by the Company Being Acquired shall be transferred to the Acquiring Company as of making a merger entry in the commercial register. After making the merger entry in the commercial register, entries on transfer of the assets shall be made in the relevant registers on the basis of an application of the management board of the Acquiring Company.
- 6.2. The balance sheet date of the merger, i.e. the date from which onwards the transactions of the Company Being Acquired shall be deemed as made on the account of the Acquiring Company, is first of July year two thousand and sixteen (01.07.2016).

## **7. EXPLANATIONS OF THE CERTIFYER OF THIS NOTARIAL DEED**

- 7.1. Pursuant to Article 393 (1) of the Commercial Code, the management boards of or the partners entitled to represent the merging companies shall prepare a written report (merger report) which shall explain and justify legally and economically the merger and merger agreement, including the share exchange ratio and amount of additional payments if additional payments are to be made. Difficulties relating to valuation shall be referred to separately in the report. (2) A merger report need not be prepared if the only share or all the shares of the company being acquired are held by the acquiring company, or if this is agreed to by all the partners of the merging company or all the shareholders of the merging public limited companies. (3) Merging companies may prepare a joint merger report. (4) If the acquiring company belongs to a group, the merger report shall also set out information necessary for the merger concerning the other companies belonging to the group. (5) A merger report need not set out information, publication of which may result in significant damage to a company being acquired or a company belonging to the same group with such company. In such case, the reason for failure to submit the information shall be set out in the report.
- 7.2. Pursuant to Article 394 of the Commercial Code, an auditor shall audit a merger agreement in the cases provided by law. An auditor need not audit a merger agreement if all shares of the company being acquired are held by the acquiring company, or if all the partners of the merging company or all the shareholders of the merging public limited companies agree that an auditor need not audit the merger agreement.
- 7.3. Pursuant to Article 397 of the Commercial Code, rights and obligations shall arise from a merger agreement if the merger agreement is approved by all merging companies. A merger resolution shall be in writing. The partners or shareholders shall be provided with the opportunity to examine the merger agreement, merger report and auditor's report at least two weeks before deciding on approval of the merger agreement unless otherwise provided by law.
- 7.4. Pursuant to Article 398 (1) of the Commercial Code, At the request of a partner, shareholder or member of the management board or supervisory board, a court may declare invalid a merger resolution which is in conflict with the law, the partnership agreement or the articles of association if the request is submitted within one month after the resolution is made. (2) The merger resolution of a company being acquired shall not be declared invalid on the basis that the share exchange ratio is fixed too low. (3) If the share exchange ratio is fixed too low, a partner or shareholder may demand a refund from the acquiring company which may exceed the amount specified in subsection 392 (2) of this Code. (4) The acquiring company shall pay a fine for delay

on an unpaid refund in the amount provided by law as of entry of the merger on the registry card of the acquiring company. The above does not preclude or restrict the filing of claims for compensation for damage exceeding the default interest

7.5. Pursuant to Article 399 of the Commercial Code, Immediately after a merger has been entered in the commercial register of the registered office of the acquiring company, the acquiring company shall publish a merger notice to the creditors of the merged companies in the publication *Ametlikud Teadaanded*, informing them of the possibility to submit, within six months after the publication of the notice, their claims to the acquiring company in order to receive a security. The acquiring company shall secure the claims submitted by the creditors of the companies being acquired within six months after the publication of the notice specified in subsection (1) of this section, if the creditors have no possibility to demand satisfaction of the claims and they prove that the merger may endanger the fulfilment of the claims.

7.6. Pursuant to Article 400 (1) of the Commercial Code, the management board of or the partners entitled to represent a merging company shall submit, not earlier than after one month of the approval of the merger resolution, a petition for entry of the merger in the commercial register of the registered office of the company. The following shall be appended to the petition:

- 1) a copy of the merger agreement certified by a notary;
- 2) the merger resolution;
- 3) the minutes of the meeting of the partners or shareholders if the merger resolution is made at a meeting;
- 4) the permission for merger, if required;
- 5) the merger report or the agreements not to prepare one;
- 6) the auditor's report, if required, or the agreements not to prepare one;
- 7) the final balance sheet of the company being acquired if the company being acquired submits the petition;
- 9) resolution of the Competition Board to grant permission for a concentration if the obligation to request such permission arises from the Competition Act;
- 10) if the shares of a merging company are registered in the Estonian Central Register of Securities, the confirmation of the registrar of the Estonian Central Register of Securities that the management board of the merging company has informed the registrar of the merger;

11) the interim balance sheet or the agreements not to prepare one.

(2) A registrar may enter a merger in the register only if the final balance sheet of the company being acquired is prepared as at a date not earlier than eight months before submission of the petition to the commercial register. The final balance sheet is prepared pursuant to the requirements established for the balance sheet that constitutes part of the annual report, and the approval of the final balance sheet and conducting the audit thereof is governed by the provisions concerning the approval of the annual report and conducting an audit. The final balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the latest annual report. The final balance sheet shall be prepared as at the day preceding the merger balance sheet date. (3) In a petition, the members of the management board of or the partners entitled to represent the company shall confirm the merger resolution is not contested, or that a corresponding petition has been denied, or that the adoption of the merger resolution was not required. (4) The members of the management board of or the partners entitled to represent the acquiring

company may also submit a petition for entry of the company being acquired in the commercial register.

- 7.7.** Pursuant to Article 403 (1) of the Commercial Code, the assets of a company being acquired shall transfer to the acquiring company as of entry of the merger in the commercial register of the registered office of the acquiring company. After entry of the merger in the commercial register of the registered office of the acquiring company, entries regarding the transfer of assets shall be made in the registers on the petition of the acquiring company. (2) A company being acquired shall be deemed to be dissolved as of entry of the merger in the commercial register of the registered office of the acquiring company. The registrar shall delete the company being acquired from the commercial register. (3) The partners or shareholders of the company being acquired shall become partners or shareholders of the acquiring company as of entry of the merger in the commercial register of the registered office of the acquiring company, and their shares shall be exchanged for shares of the acquiring company. The rights of third persons with regard to the exchanged shares shall remain valid with regard to the shares of the acquiring company. (4) The shares of a company being acquired which are held by the acquiring company or by the company being acquired itself, or by a person acting in his or her own name but at the expense of the company shall not be exchanged and shall become invalid. (5) A merger shall not be contested after its entry in the commercial register of the registered office of the acquiring company. (6) The members of the management board and supervisory board, or the managing partners of a merging company shall be solidarily liable to the company, the partners or shareholders, or the creditors of the company for any damage wrongfully caused by the merger. The provisions of the first sentence do not apply to damage, which is caused by the preparation and conducting of the merger to the shareholders of the public limited company being acquired by the members of the management board or supervisory board of the public limited company being acquired, if all the shares of the public limited company being acquired are held by the acquiring public limited company. (7) The limitation period for a claim specified in subsection (6) of this section shall be five years from entry of the merger in the commercial register of the registered office of the acquiring company.
- 7.8.** Pursuant to Article 412 (4) of the Commercial Code, if the only share of the private limited company being acquired is held by the acquiring private limited company or public limited company, the approval of the merger agreement by the merger resolution of the private limited company being acquired is not required for the merger. The own share of the private limited company being acquired shall not be taken into account in the determination of representation.
- 7.9.** Pursuant to Article 419 (1) of the Commercial Code, at least one month before the general meeting to decide on merger, the management board shall present the following to the shareholders for examination at the registered office of the public limited company: 1) the merger agreement; 2) the three preceding annual reports of the merging companies; 3) the merger reports of merging companies; 4) the sworn auditor's reports of merging companies. (2) At the request of a shareholder, he or she shall be immediately provided free of charge either complete or partial copy, based on the shareholder's wish, of the documents specified in subsections (1) and (3) of this section. Upon the shareholder's consent, the copy may be sent to his or her e-mail address. (2<sup>1</sup>) If a public limited company pursuant to § 63 of this Code has provided to the registrar its homepage address, to fulfil the requirements specified in subsections (1)

and (2) of this section it may publish the documents on its homepage in a way which provides the opportunity for saving and printing these. The documents shall be available on the homepage of the public limited company within one month prior to the general meeting and until the end of the general meeting. (3) If the latest annual report of a merging public limited company is prepared in respect to financial year, which ended earlier than six months prior to the entry into the merger agreement, the balance sheet (interim balance sheet) compliant with the requirements established for the balance sheet that constitutes part of the annual report shall be prepared as at no earlier than the first day of the third month preceding the entry into the merger agreement. The interim balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the latest annual report. The interim balance sheet shall be submitted to shareholders for examination pursuant to the procedure specified in subsections (1)–(2<sup>1</sup>) of this section. The interim balance sheet need not be prepared if all the shareholders of the merging public limited companies agree thereto. Instead of the interim balance sheet, the half-yearly report disclosed pursuant to § 184<sup>11</sup> of the Securities Market Act may be submitted to shareholders for examination. (4) At least one month prior to the general meeting deciding on the merger, the management board shall submit the merger agreement to the registrar of the commercial register or disclose it on the homepage of the public limited company. Upon the disclosure of the merger agreement on the homepage of the public limited company, it shall be available to the public free of charge until the end of the general meeting. In addition, the management board shall publish in the official publication *Ametlikud Teadaanded* a notice concerning the entry into the merger agreement. The notice shall indicate where or at which homepage address it is possible to examine the merger agreement and other documents specified in subsection (1) of this section and receive copies of these documents. Upon the disclosure of the merger agreement on the homepage of the public limited company, the notice shall also indicate the disclosure date of the merger agreement. (5) If the public limited company is required to make public the regulated information in the central recording system for information specified in subsection 184<sup>6</sup> (5) of the Securities Market Act, the merger agreement may be disclosed in such system instead of the homepage of the public limited company. In the remaining part, subsection (4) of this section shall apply.

- 7.10.** Pursuant to Article 421 (1) of the Commercial Code, a merger resolution shall be adopted if at least two-thirds of the votes represented at the general meeting are in favour, and the articles of association do not prescribe a greater majority requirement. (2) If a public limited company has several classes of shares, the merger resolution shall be adopted if, in addition to the provisions of subsection (1) of this section, at least two-thirds of the holders of each class of shares vote in favour of the resolution, and the articles of association do not prescribe a greater majority requirement. If a resolution is made pursuant to the procedure provided for in subsection 297 (2), at least two-thirds of the votes represented of each class of shares at the general meeting must vote in favour of the resolution unless the articles of association prescribe a greater majority requirement. (4) If at least nine-tenths of the share capital of a private limited company or of the share capital of a public limited company being acquired is held by the acquiring public limited company, approval of the merger agreement by a merger resolution of the acquiring public limited company shall not be required for merger. The own shares of the company being acquired shall not be taken into account in the



determination of representation. The acquiring public limited company at least one month before deciding on the approval of the merger agreement by the company being acquired or, if the merger agreement need not be approved at the meeting of shareholders or the general meeting of the company being acquired, at least one month before the creation of the rights and obligations arising from the merger agreement shall perform the disclosure obligations specified in § 419 of this Code. A merger resolution is necessary if this is demanded within the term specified in the previous sentence by shareholders of the acquiring public limited company whose shares represent at least one-twentieth of the share capital and unless the articles of association prescribe a lower representation requirement.

## **8. ORIGINAL OF THE NOTARIAL DEED AND THE ISSUANCE OF ORIGINAL TRANSCRIPTS AND CERTIFIED COPIES**

- 8.1.** The notarial deed has been prepared and signed in one (1) original, which shall be kept at the notary's office.
- 8.2.** The parties do not wish to receive certified transcripts of this notarial deed.
- 8.3.** The certifier of the notarial deed has explained to the parties that after this notarial deed is certified, an access to a digital transcript of it shall be made for the parties through the state portal [www.eesti.ee](http://www.eesti.ee). The access shall be made to the legal or natural person acting as the party of this transaction, not the representative. No notary fee is charged for preparing the aforementioned transcript.

## **9. COSTS RELATED TO THE TRANSACTION**

- 9.1.** Costs related to the execution of the agreement shall be paid by the Acquiring Company.
- 9.2.** The notary fee shall be paid in the notary's office in cash or by card or within three (3) business days as of the conclusion of the agreement by wire transfer to the bank account of the notary public. The certifier of the notarial deed has the right to withhold the copies of this notarial deed until the payment of the notary fee is made.

The notarial deed has been read to the parties by the person certifying the deed, given to them for examination prior to approval and then approved by the parties and signed by their own hand in the presence of the person certifying the deed.

*Pursuant Article 18 (2) of the Notary Fees Act, transaction value upon entry into merger agreement between companies is the amount of the share capital of the acquiring company or of the company founded as a result of the merger or the amount of the contribution of the partners.*

The notary's fee for certifying this notarial deed 6 747.64 EUR (transaction value 2 699 436.60 EUR: Notary Fees Act Article 18 (2), 22, 23 p 2).

VAT	1 349.53 EUR
Total	8 097.17 EUR.

*/name and signature of Aivar Kempil/*

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*Given name and surname*

*signature*