

PROKAPITAL

MINUTES AND RESOLUTIONS OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF AS PRO KAPITAL GRUPP

In Tallinn on 26th of June, 2018

The ordinary general shareholders' meeting (hereinafter referred to as Meeting) of **AS Pro Kapital Grupp** (registration code 10278802, located at Sõjakooli 11 Tallinn Republic of Estonia) (hereinafter referred to as the Company) took place on the 26th of June, 2018 at 1.00 PM at the premises of the Company, Sõjakooli 11 Tallinn Republic of Estonia. The meeting ended at 01.15 PM.

The reason for calling the ordinary general shareholders' meeting was to decide on the approval of the annual report for the financial year 2017, deciding on covering the loss and the election and remuneration of the auditor.

Chairman of the Council, Emanuele Bozzone, Council members Petri Olkinuora and Pertti Huuskonen as well as the CEO of the Company, Paolo Vittorio Michelozzi, the CFO, Angelika Annus and the auditor Erki Usin from AS Deloitte Audit Eesti also participated at the Meeting.

The notice calling the Meeting was published on 01.06.2018 via NASDAQ OMX Tallinn stock exchange web site and on 04.06.2018 in the newspaper *Eesti Päevaleht* on page number 5.

The chairman of the Meeting was **Ilona Nurmela**
personal identification code 47610020228

and

the recording secretary was **Liisa Kirss**
personal identification code 47011120308

Pursuant to the list of participants in the general meeting four (4) shareholders were present and represented at the general meeting, whereas the shares held by them represent in total 33 801 723 (thirty-three million, eight hundred and one thousand, seven hundred and twenty-three) votes, which constitutes in total 59,6277% of the votes represented by the shares.

The meeting was competent to pass decisions.

The agenda of the meeting was as follows:

1. Election of the Chairman and Secretary of the Meeting



2. Approval of the audited annual report of the Company for the financial year of 2017
3. Resolution of covering the loss
4. Discussion regarding payment of dividend
5. Election of the auditor

Agenda item No. 1. Election of the Chairman and Secretary of the Meeting

It was proposed to elect Ilona Nurmela as the chairman and Liisa Kirss as the recording secretary of the Meeting. No other proposals were made.

The proposal to elect Ilona Nurmela as the chairman of the Meeting and Liisa Kirss as the recording secretary was voted upon.

Voting results:

In favour: 33 801 723	votes i.e.	100	% of the votes represented at the Meeting
Against: 0	votes i.e.	0	% of the votes represented at the Meeting
Undecided: 0	votes i.e.	0	% of the votes represented at the Meeting
Abstained: 0	votes i.e.	0	% of the votes represented at the Meeting

Based on the fact that 100% of the votes represented at the Meeting were given in favour of the proposal, Ilona Nurmela was elected the chairman and Liisa Kirss the recording secretary of the Meeting.

Agenda item No. 2. Approval of the audited annual report of the Company for the financial year of 2017

The Company has prepared the annual report for the financial year of 2017. The report has been audited and the audited report has been made available to the shareholders. It is the competency of the shareholders to approve the annual report.

Shareholders had the opportunity, but did not ask any questions from the auditor.

The Councils and Management Boards proposal and draft of the resolution:

Approve the audited annual report of the Company for the financial year of 2017.

The proposal to approve the audited 2017 annual report of the Company was voted upon.

Voting results:

In favour: 33 801 723	votes i.e.	100	% of the votes represented at the Meeting
Against: 0	votes i.e.	0	% of the votes represented at the Meeting
Undecided: 0	votes i.e.	0	% of the votes represented at the Meeting
Abstained: 0	votes i.e.	0	% of the votes represented at the Meeting

The decision of the Meeting is adopted as 100% of votes represented at the Meeting vote in favour.

Agenda item No. 3. Resolution of covering the loss

The Company's net loss for the financial year which ended 31 December 2017 was in the amount of 419 thousand Euros. As per the commercial code it is the shareholders'



competency to decide on the allocation of the profit and/or loss.

The Councils and Management Boards proposal and draft of the resolution:

Cover the net loss for the financial year which ended 31 December 2017 in the amount of 419 thousand Euros with retained earnings of previous periods.

The proposal to cover the loss was voted upon.

Voting results:

In favour: 33 801 723	votes i.e.	100	% of the votes represented at the Meeting
Against: 0	votes i.e.	0	% of the votes represented at the Meeting
Undecided: 0	votes i.e.	0	% of the votes represented at the Meeting
Abstained: 0	votes i.e.	0	% of the votes represented at the Meeting

The decision of the Meeting is adopted as 100% of votes represented at the Meeting vote in favour.

Agenda item No. 4. Discussion regarding payment of dividend

The Management Board and the Council of the Company have evaluated the financial prognosis and investment needs of the Company and have reached the following conclusion. Considering that the Company has paid out dividends in January 2018 and considering that at the moment the company is putting its stronger effort to finish construction of T1 Mall of Tallinn, which is the Company's largest single object development, and so the Company's capital need is at its highest sensitivity. The Company expects to have more accurate and ultimate view of cash flow for distribution of dividends in Q4'2018, after finishing the construction of T1. The Council and Management Board therefore suggest that it would be wise to postpone the dividend payment decision towards the end of the year.

CEO Paolo Michelozzi explained that this is effectively a postponement so the Company can review and decide later in the year, which is more prudent considering T1 finishing needs.

The Councils and Management Boards proposal and draft of the resolution:

Not to distribute profit to the shareholders at this point in time when the Company's capital need is at its highest sensitivity and the Council will reconsider the capacity of the Company to pay dividend after the opening of the T1 Mall of Tallinn in Q4'2018 when the Company will have a better view how much dividend it can pay out.

The proposal not to distribute profit but to reconsider this capacity in Q4'2018 was voted upon.

Voting results:

In favour: 33 801 723	votes i.e.	100	% of the votes represented at the Meeting
Against: 0	votes i.e.	0	% of the votes represented at the Meeting
Undecided: 0	votes i.e.	0	% of the votes represented at the Meeting
Abstained: 0	votes i.e.	0	% of the votes represented at the Meeting

The decision of the Meeting is adopted as 100% of votes represented at the Meeting vote in favour.

Agenda item No. 5. Election of the auditor

In financial year of 2017 AS Deloitte Audit Eesti has provided audit services to the Company in relation to the audit of the annual report.

In the opinion of the Council the auditor has performed the services in accordance with the agreement and the Council does not have any objections as to the service provided.

The auditor has confirmed as required by the corporate governance recommendations that it has no work, economic or other relations that would threaten its independence while rendering auditing service.

In 2016, the Management Board of the Company took offers for the audit from different audit companies for audit of next three years. The recommendation of the audit committee and the Council is to continue the collaboration with AS Deloitte Audit Eesti as their price offer and quality of work is considered to be in the best proportion.

The Chairman of the Council expressed his satisfaction with the services of the auditor.

The Council's and Management Board's proposal and draft of the resolution:

Elect AS Deloitte Audit Eesti as the auditor of the Company for the financial year of 2018.

To approve the principles for remuneration of the auditor as per the agreement to be signed with the auditor. Approve the fee payable to the auditor for the audit of Company and its subsidiaries for the financial year of 2018 in the amount of 45 700 Euros (net of VAT).

The proposal to elect the auditor was voted upon.

Voting results:

In favour: 33 801 723	votes i.e.	100	% of the votes represented at the Meeting
Against: 0	votes i.e.	0	% of the votes represented at the Meeting
Undecided: 0	votes i.e.	0	% of the votes represented at the Meeting
Abstained: 0	votes i.e.	0	% of the votes represented at the Meeting

The decision of the Meeting is adopted as 100% of votes represented at the Meeting vote in favour.

The Meeting was conducted in Estonian and in English. The voting took place through public voting by raising hands.

The minutes are originally in Estonian and translated into English.

The following are enclosed to these Minutes:

1. List of participants in the Meeting
2. Power of attorneys of shareholders' representatives

Chairman of the Meeting



Recording secretary

