

**DRAFT**

*Approved  
with the joint stock company "VEF RADIOTEHNIKA RRR"  
The decision of extraordinary general meeting of January 9, 2018  
No. \_\_\_\_\_*

**JOINT STOCK COMPANY "VEF RADIOTEHNIKA RRR"  
REDUCTION RULES FOR FIXED CAPITAL.**

**1. The reason for the reduction of the share capital**

- 1.1. The reason for reducing the share capital of the Joint Stock Company "VEF RADIOTEHNIKA RRR" (hereinafter referred to as the Company) is the need to cover the Company's accumulated losses of previous years, improve the Company's balance sheet, which will enable the Company to participate in European financing for the development of production.**
- 1.2. At the moment when the Register of Enterprises of the Republic of Latvia will register the reduced share capital of the Company, the Company will suffer losses of EUR 3 313 809.20 (three million three hundred and thirteen thousand eight hundred and nine euros 20 cents).**

**2. Type of reduction of basic capital**

- 2.1. The Company's share capital is reduced in accordance with the third paragraph of the first paragraph of Article 262 of the Commercial Law - by reducing the nominal value of the Company's shares.**

**3. The amount of reduction of fixed capital**

- 3.1. The share capital of the Company before reduction is EUR 3 568 717.60 (three million five hundred and sixty eight thousand seven hundred seventeen euros 60 cents), which is fully paid.**
- 3.2. The Company's share capital has been divided into 2 549 084 shares before the reduction of the share capital, of which 632 338 are registered shares and 1 916 746 are bearer shares. The nominal value of one share is EUR 1.40 (one euro 40 cents).**
- 3.3. The Company's share capital is reduced by EUR 3 313 809.20 (three million three hundred and thirteen thousand eight hundred nine euros 20 cents). After reduction of the Company's share capital the Company's share capital will be 254 908.40 (two hundred fifty four thousand nine hundred and eight euros 40 cents).**
- 3.4. As a result of the reduction of the share capital, the nominal value of the Company's name and bearer share is reduced by EUR 1.30 (one euro and 30 cents), therefore the nominal value of the Company's name and bearer shares will be EUR 0.10 (ten cents) after the reduction of the Company's share capital.**
- 3.5. The number of shares in the Company's name and bearers is unchanged and remains at the previous 2 549 084 of which 632 338 are Company's registered shares and 1 916 746 are bearer shares of the Company.**

**4. Exchange of shares**

- 4.1. The exchange of bearer shares of the nominal value of EUR 1.40 (one euro 40 cents) to bearer shares of the Company with a nominal value of EUR 0.10 (ten cents) will be made on the date of calculation \_\_\_\_\_ of year \_\_. \_\_\_\_\_.**
- 4.2. The Latvian Central Depository in the Latvian Central Depository Regulation No. 2 "On the Registration of Financial Instruments and the Execution of Events of Financial Instruments", the name share the exchange will be performed by the Board of the Company when drawing up a new shareholder register. The exchange of this name and bearer shares will be made only after the expiry of the deadline for applying for creditor claims and the reduced company registration**

*in the Republic of Latvia Register of Enterprises.*

***4.3. The claims of the creditors shall be filed in writing at the Company's legal address in Riga, Kurzemes prospectus 3D, LV-1067, within one month from the publication of the notice on reduction of the Company's share capital in the newspaper Latvijas Vēstnesis***

***Riga, \_\_, 2018 \_\_\_\_\_***

***Members of the Board \_\_\_\_\_***

***Chairman of the Board \_\_\_\_\_***