

Minutes No.2/18  
of the annual general meeting of  
JSC “VEF RADIOTEHNIKA RRR”

3D Kurzemes prospekts, Riga  
April 27, 2018, 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 27, 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 254 908.40 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)

The Attorney of Jurijs Maļejevs - Eduards Maļejevs (864512 shares, 33.91% of paid statute capital)

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

The Attorney of Jekaterina Maļejeva – Eduards 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 – Ēriks Ertmanis (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

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 Boriss Livča as the speaker of the meeting.

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

- to elect Olga Romaņko 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 Eduards 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 2017.
2. Report of the Council of JSC „VEF Radiotehnika RRR” on the results of activities in year 2017.
3. Report of the Revision committee of JSC „VEF Radiotehnika RRR” on the results of activities in year 2017.
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 2017.
6. Distribution of profit of JSC „VEF Radiotehnika RRR” in year 2017.
7. Approval of the budget of JSC „VEF Radiotehnika RRR” and the plan of activities in year 2018.
8. Approval of the sworn auditor of JSC „VEF Radiotehnika RRR” for year 2018 and determination of the remuneration for auditor.
9. Election of the Council of JSC „VEF Radiotehnika RRR”
10. Election of the Revision committee of JSC „VEF Radiotehnika RRR” for year 2018.
11. Other questions

**1. Report of the Board on the results of 2017**

With 100% of the votes of shareholders present the decision has been taken:  
Accept the report of the Board on the results of 2017

**2. Council report on the results of 2017**

With 100% of the votes of shareholders present the decision has been taken:  
Accept Council report on the results of 2017

**3. Revision committee report on the 2017 results**

With 100 % of the votes of shareholders present the decision has been taken:  
To take into consideration revision committee report on the 2017 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 2017**

With 100% of the votes of shareholders present the decision has been taken:  
Accept the balance of 2017

**6. Sharing of profit of 2017**

The member of Board E.Ertmanis reports that in 2017 Company profit was EUR 1 224 950.  
With 100% of the votes of shareholders present the decision has been taken:  
With year 2017 profit is expected to cover the previous years losses.

**7. Acceptance of JSC budget and plan of activities for 2018.**

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):

<b>1 Income</b>	<b>1021200</b>
1.1. Income from selling produced goods	525400
1.2. Income from rent and public services	495800
<b>2. Industrial expenses</b>	<b>872363</b>
2.1. Industrial materials and services	320148
2.2. Depreciation	80725
2.3. Salary with tax	74850
2.4. Public services	396640
<b>3. Gross profit</b>	<b>148837</b>
4. Selling costs	25640
5. Indirect costs	72800
<b>6. Profit from other commercial activity</b>	<b>50397</b>
7. Interest payment	-
<b>8.Profit before property interest</b>	<b>50397</b>

The Company plans to develop 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 2018 to increase 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 2018 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 Council of JSC "VEF Radiotehnika RRR"**

Speaker of the meeting inform that we have received a statement from members of the Council Boriss Livča, Olga Romaņko on their departure from the Council. Taking into account this information, the current composition of the Council does not comply with necessary number of members approved in the Statutes of the company.

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

To recall from the members of the Board of JSC "VEF Radiotehnika RRR"

B.Livča, O.Romaņko, G.Hotejevs, V.Mihailovins, I.Kļaviņš in accordance with p.296 article (9).

Chairman of the meeting invites shareholders in accordance with the law to nominate candidates for the positions of members of the Council.

Shareholder Eduards Maļejevs proposes for nomination as candidates for the position of members of the Council to be included into the voting list: Vjačeslavs Mihailovins, Genādijs Hotejevs, Inārs Kļaviņš, Mārtiņš Perts

Shareholder Ēriks Ertmanis proposes for nomination as candidates for the position of members of the Council to be included into the voting list: Eduards Maļejevs

No more candidates have been nominated.

Chairman of the meeting announces the candidates included in the voting list: Vjačeslavs Mihailovins, Genādijs Hotejevs, Inārs Kļaviņš, Mārtiņš Perts, Eduards Maļejevs.

Agreements of the candidates to take the position of members of the Council have been received.

Voting takes place.

The vote counter G.Hotejevs announces the results of the voting:

1. Vjačeslavs Mihailovins for 481833 votes of shareholders present;
2. Genādijs Hotejevs for 481833 votes of shareholders present;
3. Inārs Kļaviņš for 481833 votes of shareholders present;
4. Mārtiņš Perts for 481833 votes of shareholders present;
5. Eduards Maļejevs for 481833 votes of shareholders present;

Thus, as members of the council of JSC „VEF Radiotehnika RRR” have been elected:

1. Vjačeslavs Mihailovins
2. Genādijs Hotejevs
3. Inārs Kļaviņš
4. Mārtiņš Perts
5. Eduards Maļejevs

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

To confirm the results of the election of the Council of JSC „VEF Radiotehnika RRR” that as the members of the Council of JSC „VEF Radiotehnika RRR” have been elected:

1. Vjačeslavs Mihailovins for 481833 votes of shareholders present;
2. Genādijs Hotejevs for 481833 votes of shareholders present;
3. Inārs Kļaviņš for 481833 votes of shareholders present;
4. Mārtiņš Perts for 481833 votes of shareholders present;
5. Eduards Maļejevs for 481833 votes of shareholders present;

#### **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**

Member of the Council Inārs Kļaviņš made proposals to the Board of the Company:

For the further stabilization and development of the Company, I propose the following:

1. Develop new acoustic models, in particular the development of small systems operating from Interactive Television and WI-FI;
2. To carry out research and find the preconditions for the development of non-traditional products for which the market would be sold in the Baltic States, the European Union and elsewhere in the world;
3. This year is 90 years since the Riga Radio Factory was founded (in 1928 the JSC "Photo-Radio Center" and in 1934 the "Open Society A. Apsītis and F. Žukovskis" and on the basis of these two private companies in 1944 the factory was established "Radiotehnika", renamed A. Popov in the Riga Radio Factory (RRR) in 1952;
4. I would like to mark the 90th anniversary of RRR solemnly this year. inviting all current staff and former employees.

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 April 27, 2018 at 5:25 p.m. the meeting was closed.

Speaker of the meeting: Boriss Livča (signature)

Secretary Olga Romaņko (signature)

Meeting minutes correctly declare:

Ēriks Ertmanis (signature)

Eduards.Maļejevs (signature)