

Minutes No.1/19
of the annual general meeting of
JSC “VEF RADIOTEHNIKA RRR”

3D Kurzemes prospekts, Riga
April 29, 2019, 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 29, the meeting is declared open.

Chairman of the Board Mr. Ēriks Ertmanis opens the meeting.

Member of the Board Mrs. Olga Romaņko informs that according to the registration data shareholders or their authorized persons are present at the meeting, which makes owners of **1 274 653** shares with a right of voting and which makes **50.01** % 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 Mrs. Olga Romaņko 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 Inga Spruga – Eduards Maļejevs (65567 shares, 2.57% 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 Eduards Maļejevs;

Members of the Council: Genadijs Hotejevs, Inārs Kļāviņš, Vjačeslavs Mihailovins;

Chairman of the Board Ēriks Ertmanis

Member of the Board Olga Romaņko

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

- to elect Vjačeslavs Mihailovins as the vote counter.

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

- to elect Ēriks Ertmanis 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 2018.
2. Report of the Council of JSC „VEF Radiotehnika RRR” on the results of activities in year 2018.
3. Report of the Revision committee of JSC „VEF Radiotehnika RRR” on the results of activities in year 2018.
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 2018.
6. Distribution of profit of JSC „VEF Radiotehnika RRR” in year 2018.
7. Approval of the budget of JSC „VEF Radiotehnika RRR” and the plan of activities in year 2019.
8. Approval of the sworn auditor of JSC „VEF Radiotehnika RRR” for year 2019 and determination of the remuneration for auditor.
9. Optimization and improvement of organizational structure
10. Change of company's name.
11. Other questions

1. Report of the Board on the results of 2018

With 100% of the votes of shareholders present the decision has been taken:
Accept the report of the Board on the results of 2018

2. Council report on the results of 2018

With 100% of the votes of shareholders present the decision has been taken:
Accept Council report on the results of 2018

3. Revision committee report on the 2018 results

With 100 % of the votes of shareholders present the decision has been taken:
To take into consideration revision committee report on the 2018 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 2018

With 100% of the votes of shareholders present the decision has been taken:
Accept the balance of 2018

6. Sharing of profit of 2018

The member of Board E.Malejevs reports that in 2018 Company losses was EUR 15 516.
With 100% of the votes of shareholders present the decision has been taken:
Year 2018 losses is expected to cover with future taxable profits received from the production.

7. Acceptance of JSC budget and plan of activities for 2019.

With 100% of the votes of shareholders present the decision has been taken:
To approve the budget and plan of activities of 2019 for JSC "VEF Radiotehnika RRR" (The calculations shown in EUR excluding VAT):

1 Income	110480
1.1. Income from selling produced goods	100500
1.2. Income from public services	9980
2. Industrial expenses	73335
2.1. Industrial materials and services	50792
2.2. Depreciation	8398
2.3. Salary with tax	9050
2.4. Public services	5095
3. Gross profit	37145
4. Selling costs	1199
5. Indirect costs	15206
6. Profit from other commercial activity	9000
7. Interest payment	9252
8. Profit before property interest	20488

The Company plans to develop the acoustic system and the housing development, organization of production and marketing.

Due to the reduction of sales volumes in the Russian market (where there are large economic risks) and the reorientation of the company to the EU market, in 2019 the income from selling produced goods are reduced.

The Company's management believes that it will be able to stabilize the Company's operations in 2019 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 Audit” ,Ltd (Certified Auditor company license Nr. 183) as sworn auditor of JSC "VEF Radiotehnika RRR" for year 2019 and establish remuneration to the Auditor of the JSC "VEF Radiotehnika RRR" for performance of duties in the auditor's office during 2019 as amounting to EUR 5400.00

9. Optimization and improvement of organizational structure

Shareholder Eduards Malejevs makes a proposal to assign and entrust the Council of the Company, at its own discretion, in accordance with the interests of the Company, to develop and approve a plan for optimization and improvement of the organizational structure of the Company.

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

To assign and entrust the Council of the Company, at its own discretion, in accordance with the interests of the Company, to develop and approve a plan for optimization and improvement of the organizational structure of the Company.;

10. Change of company's name.

Shareholder Eduards Malejevs proposes to change the name of the Company to JSC "VEF Audio"

Deputy Chairman of the Council Inārs Kļāviņš did not recommend using the name "VEF" in the new name.

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

To change the name of the Company to JSC "VEF Audio"

11. 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 April 29, 2019 at 4:50 p.m. the meeting was closed.

Speaker of the meeting: Ēriks Ertmanis (signature)

Secretary Olga Romaņko (signature)

Meeting minutes correctly declare:

Ēriks Ertmanis (signature)

Eduards.Malejevs (signature)