

OLYMPIC ENTERTAINMENT GROUP AS

Registry code 10592898

Pronksi 19, Tallinn, Harju County, 10124

SUPERVISORY BOARD REPORT

regarding the annual report of the financial year 1 January 2016 – 31 December 2016 and activities of the Supervisory Board of OLYMPIC ENTERTAINMENT GROUP AS

28.03.2017

The Supervisory Board of **OLYMPIC ENTERTAINMENT GROUP AS** (hereinafter referred to as the **Company**), consisting of Armin Karu, Jaan Korpusov and Liina Linsi (hereinafter referred to as **the Supervisory Board of the Company**) has prepared this report pursuant to Section 333 of the Estonian Commercial Code and submits the report to the General Meeting of the Company.

I Approval of annual report

The Supervisory Board of the Company has examined the annual accounts and the activity report (annual report) concerning the financial year from 1 January 2016 to 31 December 2016, prepared by the Management Board of the Company, the sworn auditor's report and the profit distribution proposal.

In the Supervisory Board's opinion, the annual report has been prepared in compliance with the Articles of Association of the Company, the Accounting Act and good accounting practice and it reflects in adequate and correct manner the results of the financial activities of the Company during the financial year from 1 January 2016 to 31 December 2016.

The Supervisory Board approves the annual accounts and the activity report (annual report) concerning the financial year from 1 January 2016 to 31 December 2016 and the profit distribution proposal, prepared by the Management Board of the Company.

The Supervisory Board approves the audit services provided by AS PricewaterhouseCoopers in 2016 as the Company's auditor. The auditor is remunerated in accordance with the contract signed with AS PricewaterhouseCoopers that specifies the auditor's obligations and responsibilities in auditing the Company. According to the information known to the Supervisory Board of the Company, the auditor has performed all its contractual obligations and has performed the audit in accordance with International Standards on Auditing.

II Organisation and management of activities of the Company

According to the resolutions of the general meetings of the Company held on 25 April 2014 the Supervisory Board of the Company consists of three members: Armin Karu, Jaan Korpusov and Liina Linsi.

The chairman of the Supervisory Board of the Company is Armin Karu, who is responsible for the management and organisation of the activities of the Supervisory Board of the Company. Liina Linsi is the independent member of the Supervisory Board.

In year 2016 the members of the Supervisory Board have adhered to the requirements provided by the Articles of Association of the Company, applicable law and Corporate Governance Requirements.

During the financial year from 1 January 2016 to 31 December 2016 the Supervisory Board of the Company has held meetings when necessary but not less frequently than once every three months. All Supervisory Board members of the Company have participated in all Supervisory Board's meetings.

Main task of the Supervisory Board of the Company in the financial year from 1 January 2016 to 31 December 2016 was reviewing and approving the transactions, which were beyond the scope of everyday economic activities of the Company and supervision over activities of the Management Board of the Company.

In the opinion of the Supervisory Board of the Company, the Management Board of the Company has acted during the financial year from 1 January 2016 to 31 December 2016 in compliance with the principles provided by the Articles of Association of the Company, applicable law and Corporate Governance Requirements. In the opinion of the Supervisory Board of the Company, the Management Board has asked for the approval of the Supervisory Board of the Company for the execution of all transactions beyond ordinary economic activities and also for transactions, which fall within the competence of the Supervisory Board, pursuant to the Articles of Association of the Company.

The Supervisory Board of the Company considers cooperation with the Management Board constructive and successful. In the opinion of the Supervisory Board of the Company there are no substantial problems regarding reciprocal information exchange between the Management Board and the Supervisory Board of the Company.

/signed/
Armin Karu
Chairman the Supervisory Board

/signed/
Jaan Korpusov
Member of the Supervisory Board

/signed/
Liina Linsi
Member the Supervisory Board