



TALLINN NOTARY MERLE SAAR-JOHANSON

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**MINUTES AND DECISIONS OF THE GENERAL MEETING OF THE PUBLIC
LIMITED COMPANY TALLINNA VESI**

Prepared on the thirty first of May in the year two thousand and eighteen (31.05.2018) and issued in Tallinn on the seventh of June in the year two thousand and eighteen (07.06.2018).

I, the Notary in and for Tallinn Merle Saar-Johanson, whose office is located at Rävåla pst 3 / Kuke tn 2 in Tallinn, was present at the annual general meeting of the shareholders (hereinafter referred to as the “**Meeting**”) of PUBLIC LIMITED COMPANY TALLINNA VESI (hereinafter referred to as the “**Public Limited Company**” or “**ASTV**”), registry code 10257326, located at Ädala Str. 10, Tallinn, 10614, on the thirty first of May in the year two thousand and eighteen (31.05.2018).

The meeting took place in the conference room “Lääne-Euroopa” on the second floor of the Hotel Euroopa (Paadi 5, 10151 Tallinn).

The meeting started at 09:00 and ended at 10:15. Registration of the shareholders started at 08:30 and the registration was organised by ARS Corporate Services OÜ.

The meeting took place in Estonian and English, the participants were ensured the possibility to use interpretation into Estonian and English.

The notice of calling the meeting was published on page seven (7) of the newspaper *Eesti Päevaleht* on 07.05.2018 and the notice to convene the Meeting of the Public Limited Company was published on the website of Nasdaq Tallinn on 04.05.2018 and on the website of the Public Limited Company at the address <http://www.tallinnavesi.ee/>.

The share capital of the PUBLIC LIMITED COMPANY TALLINNA VESI is twelve million and sixty (12,000,060) euros, which is divided into A-shares with the nominal value of zero point six (0.6) euros (20,000,000 shares), of which each gives one (1) vote at the Meeting, and a B-share with the nominal value of sixty (60) euros (1 share), which based on the provisions of section 3.2.1.2 of the Articles of Association of the PUBLIC LIMITED COMPANY TALLINNA VESI gives one (1) vote at the Meeting for voting to make the decisions on the questions listed in section 3.2.1.2 of the Articles of Association of the PUBLIC LIMITED COMPANY TALLINNA VESI. Based on the provisions of the section 3.2.1.2 of the Articles of Association of the Public Limited Company, the B-share gives no right to vote in making

the decision on the items in the agenda of the Meeting. A shareholder's right to vote at the Meeting shall be established based on the share register as at the 14th of June 2018 at the closure of the business day of the settlement system. The list of participants was drawn up by Nasdaq CSD SE Estonian branch.

According to the list of participants of the Meeting, which is annexed to this notarial deed, a total of 14,945,429 (fourteen million, nine hundred and forty-five thousand, four hundred and twenty-nine) votes appointed by A-shares and one (1) vote with the limited right to vote appointed by B-share were present and represented. In total 74.73% (seventy-four point seventy-three percent) of the votes appointed by A-shares and one hundred percent (100%) of the votes appointed by B-shares were represented at the Meeting. According to § 36 section 3 of the Notarisation Act, the Chairman of the Meeting is responsible for the correctness of the list of participants of the General Meeting.

The person who drew up this notarial deed has verified the Meeting's capacity to exercise will, on the basis of the list of participants, which the Chairman of the Meeting signed in the presence of the person who drew up this notarial deed. The person who drew up this notarial deed verified the compliance of the list of participants with the share register and the list of participants is in compliance with the share register.

Pursuant to § 297 section 1 of the Commercial Code and section 6.2.6 of the Articles of Association of the Public Limited Company, the Meeting is authorised to make decisions if over half of the votes represented by shares are present. Thus, the Meeting had a quorum.

The Chairman of the Meeting was **Priit Raudsepp**

personal identification code 38312025716

whose identity has been established on the basis of the database of the Police and Border Guard Board

and

the minutes were taken by **Mailis Kullerkupp-Jõekaar**

personal identification code 47305260334

whose identity has been established on the basis of the database of the Police and Border Guard Board.

Priit Raudsepp, Chairman of the Meeting, introduced to the shareholders the agenda of the Meeting, electronic voting and the fact that both Estonian and English languages were used at the Meeting with interpretation available.

The agenda of the Meeting included:

- 1. Approval of the 2017 Annual Report**
- 2. Distribution of profit**
- 3. Recalling Mr Rein Ratas from the Supervisory Council of AS Tallinna Vesi**
- 4. Extension of the term of Supervisory Council members and election of a new Supervisory Council member**
- 5. Election of the auditor**
- 6. CEO Update**

Priit Raudsepp, Chairman of the Meeting, gave the floor to Mr **Simon Gardiner**, Chairman of the Supervisory Council of the Public Limited Company, who welcomed the shareholders and thanked them for attending the meeting. Mr Gardiner was pleased to say that the Public

Limited Company continued to perform well, particularly the operational performance has been very strong. Several large capital investment projects have been completed and full compliance with the levels of service specified in the Services Agreement with the City of Tallinn has been achieved. The legal dispute still continues. Mr Gardiner said that the final decision from arbitration is still awaited. Mr Gardiner concluded his update by thanking the team for their excellent performance over the year. Mr Gardiner gave the floor to Mr Karl Brookes, Chairman of the Management Board of the Public Limited Company. Mr **Karl Brookes**, Chairman of the Management Board of the Public Limited Company, welcomed the shareholders. Mr Brookes pointed out that the performance in the last year was once again excellent. He said he would provide an overview of the important areas for the Public Limited Company such as the employees, operations, customers and financial results. The number of employees working for AS Tallinna Vesi (ASTV) last year was broadly the same as in the preceding year – slightly above 300 people. Last year, 2 lost-time work accidents occurred, which fortunately were minor, did not cause any major injury and corrective actions have already been put in place to prevent re-occurrence. The occupational Health & Safety specialists in ASTV carry out daily safety audits at all ASTV's operational sites across Tallinn. The results of those audits last year were excellent and did not identify any significant issues. Employee satisfaction in ASTV remains normal and is comparable to the Estonian average. Mr Karl Brookes gave the floor to Mr Aleksandr Timofejev, Chief Operations Officer, to talk about the operational performance last year. Mr **Aleksandr Timofejev** greeted the shareholders and continued by saying that the operational results of ASTV in 2017 had been excellent. All the 97 levels of service, set out in the Services Agreement signed with the City of Tallinn, were fully complied with. The water network is in a very good condition. Last year, we achieved the best result in ASTV's history for the level of leakages - 13.82% - by performing a timely maintenance and making investments into the network. The compliance of water quality was also very high at 99.93%. We take more than 3,000 samples per annum from customer taps and last year, only 2 of those samples failed to meet the standards. Last year, Paljassaare Wastewater Treatment Plant treated more than 51 million cubic meters of wastewater. The final effluent was fully compliant with all the applicable requirements. Last year, we upgraded the wastewater treatment process with the good work from our team. Nitrogen removal from the wastewater was 2% more efficient than in 2016. Investments are very important for us. Last year, we constructed a new water pipe providing an alternative supply line to Haabersti and Mustamäe areas. This will provide water to approximately 100 thousand residents also should the larger water main supplying water to those residential areas fail. Also, our customers are satisfied with our activity. Each year, we ask our customers if they drink tap water. 73% of customers do drink the tap water. The customer satisfaction score was high last year, reaching the level of 90 TRI*M index points. We are also engaged in raising the environmental awareness, talking about these topics to children and students. Every year, several thousand children visit our plants where they can learn about what we do. Once again, the Public Limited Company was awarded a golden-level "Corporate Social Responsibility" label by the Responsible Business Forum in Estonia. Ms **Riina Käi**, Chief Financial Officer, took the floor. Ms Riina Käi said that the share price at the end of the financial year was EUR 10.2, which is somewhat lower than the price at the end of the preceding year. The price was definitely affected by the negative Supreme Court's decision on ASTV's tariff dispute with the Competition Authority, made in December 2017. Over the last months, the share price has remained stable at EUR 10.6. The shareholding structure has remained largely the same, with the slightly lower percentage of local shareholders. Foreign shareholders have slightly increased their shareholding, mainly from the share of local institutional shareholders. At the same time, the Estonian shareholders hold more than half, i.e. 58.49% of all the shares. Estonians hold 23.79% of the 30% listed shares.

Over the years, the Public Limited Company has paid over 60 million euros of income tax on dividends to the state.

In 2017, the Public Limited Company's sales totalled at EUR 59.82 million, which is a 1.4% increase compared to 2016. 85.7% of the sales originated from the water and wastewater services sold to domestic and commercial customers. 6.1% of the sales was attributable to the operation of storm water systems and fire hydrants service provided to the City of Tallinn and 7.2% to the construction and asphaltting services. Revenue from the domestic sales in the main service area grew by 1.1%, mainly in the segment of apartment houses. Commercial sales were 1.7% higher. Direct production costs were mostly affected by higher costs of chemicals which was attributable to an increased methanol price and higher amounts of polymer used. Other costs of goods and services sold remained relatively stable. Lower costs of construction and asphaltting services were driven by a decrease in the volume of such services sold. The same as previous years, administrative expenses were mainly affected by the legal costs related to the tariff dispute, which are already somewhat lower this year. Other financial expenses amounted to EUR 17.84 million. The main cost increase factor was the provision formed for possible third-party claims should the court accept those for procedure. The Public Limited Company considers itself to have acted in a lawful manner, however, the possibility of having disputes about claims cannot be excluded. The estimated impact of such claims amounted to EUR 17.52 million as at the end of last year. The provision takes into account the possible difference in the tariffs of three years by comparing the tariffs established by the City of Tallinn in 2010 to the tariffs calculated in 2011 using the Competition Authority's methodology. The estimation reflects approximately 40% of the total previous contingent liability. It means that we assume that part of potential claims would be filed. The Public Limited Company finds that it has acted legally, because it has been charging its customers the tariffs, which have been approved by the previous regulator. ASTV does not consider itself liable for any potential claims from customers. Currently, the Public Limited Company has submitted to the Competition Authority a tariff application, which was accepted for a procedure at the beginning of May this year. The procedure takes 30-90 days. The group's operating profit amounted to EUR 10.87 million, showing a decrease of 55.8% i.e. by EUR 13.67 million compared to 2016. Without the one-off provision, the operating profit was EUR 28.39 million, being EUR 3.53 million higher year-on-year. Thus, the one-off provision was the main factor. In 2017, ASTV invested EUR 9.47 million into its assets, with the largest investment being the alternative water supply pipe in Tondi. As the draft resolution states, the Management Board made a proposal to the Supervisory Council to pay 0.36 euros per share as dividends to the owners of A-shares, which makes the total dividend payout to equal the last year's net profit of EUR 7.2 million. The presentation was continued by Mr **Karl Brookes**, who summarised the Public Limited Company's performance over the years since privatisation (the slide is included in the Meeting's presentation). Water quality remains consistently high at 99.93%. 74% of people drank tap water last year. The reason that not all people drink tap water is largely perception and we as a water company do a lot of work to promote tap water as drinking water. He said that probably the shareholders have also noticed the drinking water fountains around the City, one of which is at Tallinn Airport. In summer, ASTV's water tanks are serving water to people at public outdoor events. Last year, the level of leakages of less than 14% was achieved, which is the lowest ever in ASTV's history. This is a testament of how well ASTV maintains and invests into its network at the right places and in a timely manner.

Priit Raudsepp, the Chairman of the Meeting, carried out the voting on the agenda items.

Agenda Item 1. Approval of the 2017 Annual Report

Chairman of the Meeting called for voting the proposal to approve the 2017 Annual Report including the balance sheet total in the amount of two hundred and twenty-eight million four hundred and eight thousand (228,408,000) euros and net profit in the amount of seven million two hundred and twenty-one thousand (7,221,000) euros.

Voting results:

in favour:	14,861,239	votes or	99.44% of the votes represented in the Meeting
opposed:	2,700	votes or	0.02% of the votes represented in the Meeting
impartial:	77,000	votes or	0.52% of the votes represented in the Meeting
abstained:	4,490	votes or	0.03% of the votes represented in the Meeting

Due to the fact that over half of the votes represented with shares at the Meeting must vote in favour to adopt this decision, **the decision of the Meeting has been adopted.**

Agenda item 2. Distribution of profit

Chairman of the Meeting called for voting the following profit distribution proposal:

The net profit of the Public Limited Company in 2017 is seven million two hundred and twenty-one thousand (7,221,000) euros. To distribute seven million two hundred thousand and six hundred (7,200,600) euros of the Public Limited Company's retained earnings of forty seven million eight hundred and four thousand (47,804,000) euros as of 31.12.2017, incl. from the net profit of seven million two hundred and twenty-one thousand (7,221,000) euros for the year 2017, as dividends, of which zero point thirty-six (0.36) euros per share shall be paid to the owners of the A-shares and six hundred (600) euros per share shall be paid to the owner of the B-share. Remaining retained earnings will remain undistributed and allocations from the net profit will not be made to the reserve capital.

Based on the dividend proposal made by the Management Board, the Supervisory Council proposes to the general meeting to decide to pay the dividends out to the shareholders on 26th June 2018. The list of shareholders entitled to receive dividends will be established as at 14th June 2018 at the closure of business day of the settlement system. Consequently, the day of change of the rights related to the shares (ex-dividend date) is set to 13th June 2018. A person acquiring the shares from 13th June 2018 onwards will not have the right to receive dividends for the financial year 2017.

Voting results:

in favour:	14,935,249	votes or	99.93% of the votes represented in the Meeting
opposed:	940	votes or	0.01% of the votes represented in the Meeting
impartial:	4,750	votes or	0.03% of the votes represented in the Meeting
abstained:	4,490	votes or	0.03% of the votes represented in the Meeting

Due to the fact that over half of the votes represented with shares at the Meeting must vote in favour to adopt this decision, **the decision of the Meeting has been adopted.**

Agenda item 3. Recalling Mr Rein Ratas from the Supervisory Council of AS Tallinna Vesi

Chairman of the Meeting called for voting the proposal to recall Mr Rein Ratas from the Supervisory Council of the Public Limited Company.

Voting results:

in favour:	14,869,896	votes or	99.49% of the votes represented in the Meeting
opposed:	2,253	votes or	0.02% of the votes represented in the Meeting
impartial:	68,790	votes or	0.46% of the votes represented in the Meeting
abstained:	4,490	votes or	0.03% of the votes represented in the Meeting

Due to the fact that at least 2/3 of votes represented with shares at the Meeting must vote in favour to adopt this decision, **the decision of the Meeting has been adopted.**

Agenda item 4. Extension of the term of Supervisory Council members and election of a new Supervisory Council member

4.1. Extension of Mr Simon Roger Gardiner's term as a Supervisory Council of the Public Limited Company from 03.06.2018

Chairman of the Meeting introduced the agenda item and gave the floor to Mr **Gardiner**, who thanked Mr Rein Ratas, who had been recalled a moment ago, for his work and contribution to the development of the Public Limited Company.

Chairman of the Meeting called for voting the proposal to extend Mr Simon Roger Gardiner's term as a Supervisory Council member of the Public Limited Company from 03.06.2018.

Voting results:

in favour:	14,869,186	votes or	99.49% of the votes represented in the Meeting
opposed:	0	votes or	0.00% of the votes represented in the Meeting
impartial:	71,093	votes or	0.48% of the votes represented in the Meeting
abstained:	5,150	votes or	0.03% of the votes represented in the Meeting

4.2. Extension of Mr Martin Padley's term as a Supervisory Council of the Public Limited Company from 02.11.2018

Chairman of the Meeting called for voting the proposal to extend Mr Martin Padley's term as a Supervisory Council member of the Public Limited Company from 02.11.2018.

Voting results:

in favour:	14,869,606	votes or	99.49% of the votes represented in the Meeting
opposed:	2,000	votes or	0.01% of the votes represented in the Meeting
impartial:	69,333	votes or	0,46% of the votes represented in the Meeting
abstained:	4,490	votes or	0.03% of the votes represented in the Meeting

4.3. Election of Mrs Katrin Kendra as a member of the Supervisory Council of the Public Limited Company

Chairman of the Meeting called for voting the proposal to elect Mrs Katrin Kendra as a Supervisory Council member of the Public Limited Company from the adoption of this resolution. The Supervisory Council member will be remunerated in accordance with the agenda item 3 of the minutes of the General Meeting of Shareholders of the Public Limited Company held on 22.11.2005.

Voting results:

in favour:	14,838,444	votes or	99.28% of the votes represented in the Meeting
opposed:	3,250	votes or	0.02% of the votes represented in the Meeting
impartial:	71,550	votes or	0,48% of the votes represented in the Meeting
abstained:	32,185	votes or	0.22% of the votes represented in the Meeting

Due to the fact that pursuant to the section 6.3.5 of the Articles of Association of the Public Limited Company, the Supervisory Council of the Public Limited Company consists of nine (9) members and pursuant to the § 299 section 2 of the Commercial Code, in the election of a person at a general meeting, the candidate who receives more votes than the others, shall be deemed to be elected, **the Meeting decided to extend Mr Simon Roger Gardiner's term as a Supervisory Council member of the Public Limited Company from 03.06.2018 and Mr Martin Padley's term as a Supervisory Council member of the Public Limited Company from 02.11.2018 and to elect Mrs Katrin Kendra as a Supervisory Council member of the Public Limited Company from the adoption of that resolution.**

Agenda item 5. Election of the auditor

Chairman of the Meeting called for voting the proposal to appoint AS PricewaterhouseCoopers as the auditor and Mr Tiit Raimla as the lead auditor for the financial years of 2018 and 2019. To pay the fee to the auditor as per the offer made in the procurement.

Voting results:

in favour:	14,869,186	votes or	99.49% of the votes represented in the Meeting
opposed:	3,250	votes or	0.02% of the votes represented in the Meeting
impartial:	68,503	votes or	0.46% of the votes represented in the Meeting
abstained:	4,490	votes or	0.03% of the votes represented in the Meeting

Due to the fact that over half of the votes represented with shares at the Meeting must vote in favour to adopt this decision, **the decision of the Meeting has been adopted.**

Agenda item 6. CEO Update

Mr **Karl Brookes** thanked the shareholders for their support in adopting the resolutions under the previous agenda items. Referring to the tariff dispute, Mr Brookes added that a legal expert is also in attendance at the meeting, who is able to answer any technical legal questions that the shareholders may have. He provided some historic key dates of the tariff dispute: The tariffs in the Tallinn main service area have been frozen at their 2010 levels since 2011. ASTV's expectation has been that the tariffs would rise by CPI until 2020. Hence, we have lost a considerable amount of revenue over this period. We have tried to resolve that dispute by taking various routes. Despite our best efforts we have been unable to negotiate a solution to the dispute. In terms of the local court procedure, we lost in the Supreme Court in December 2017, which means that we are bound by the Competition Authority's methodology in terms of setting our tariffs going forward. The results of that will clearly have a significant impact on our revenues and profit going forward. We will communicate with you as soon as we have that agreement on the tariffs with the Competition Authority. We have also got an International Arbitration ongoing since 2014. The hearings took place in November 2016 in Paris and we are eagerly awaiting the outcome of the International Arbitration, which is expected at some point during this year. We will notify the shareholders as soon as we receive the decision. As it has recently been covered in the local media, we also lodged an appeal with the European Court of Human Rights.

Mr Brookes concluded with his closing comments. Despite the tariff dispute the Public Limited Company continues to perform well. We are delivering an excellent service to our customers at an affordable price compared to the other water companies in Estonia. Mr Brookes noted that the dividend to be paid this year is lower than last year's, but this is a reasonable dividend given the net profit of last year and the uncertainties still surrounding the tariff dispute. Mr Brookes pointed out the information, which had appeared in the media about a study commissioned to look at the future of Estonian water sector. There are approximately 200 water companies outside Tallinn. The summary of that study states that unless some form of consolidation takes place, the water will cease to be provided to customers at an affordable price. ASTV will watch the subject with interest in the future.

The update given by the Chairman of the Management Board of the Public Limited Company was duly noted by the shareholders of the Public Limited Company.

Priit Raudsepp, Chairman of the Meeting, gave the shareholders the opportunity to ask questions to the management of AS Tallinna Vesi.

1. **Joonatan Uusväli** referred to the Competition Authority's complaints in media,

stating that the way in which ASTV had submitted its tariff application did not allow commencing the tariff procedure, which was therefore in reality started only in May. He asked ASTV to comment on that.

Riina Käi- explained that the media coverage had not been quite accurate. ASTV definitely did not submit an unusable application as the article noted. ASTV has complied with all the deadlines that have been set. R. Käi explained that ASTV is slightly different from other water companies (in ASTV's case it is a consolidated group of undertakings) and neither does the Competition Authority have any previous experience with such a company and such an application. Due to the fact that part of the information submitted needed to be presented in a slightly different form, the Competition Authority deemed the application first submitted as not fully compliant. For the sake of clarity, the parties met to specify the form and contents of the application. As stated above, the updated application was accepted for procedure at the beginning of May. The whole process will clearly take time. Both ASTV and the Competition Authority have shown good will in dealing with this subject. Media coverage has been somewhat unfair.

2. **Villu Pavelts**- What was the purpose of lodging an appeal to the European Court of Human Rights (ECHR) and what is the minimum and maximum potential outcome expected from that procedure?

Legal expert **Kaupo Lepasepp**- it is true that the Supreme Court's decision is a final and binding verdict in the local courts. At the same time, the general opinion of both ASTV and advisers is that the Public Limited Company was subject to an unfair treatment in the course of the procedure and with the decision. ECHR is the institution to provide the assessment, whether the procedure complied with the requirements set out in the Article 6 (right to a fair trial) of the Convention for the Protection of Human Rights and Fundamental Freedoms and the requirements of the Protocol No. 1 (upon the expropriation of an economic well-being a compensation is to be determined). The complaint refers to several issues regarding the conduct of the procedure, e.g. one-sided assessment of evidence and one-sided reflection of arguments. Likewise, if two persons enter into an agreement, hence, the agreement is binding. It is a principle of law. In this case, the state has appointed the regulator, who is the City of Tallinn, meaning that effectively, the agreement has been concluded between an undertaking and a public authority i.e. the state. The legal system supports the principle that the agreement needs to be honoured also by the state. If the ECHR supports our complaint, it also supports ASTV's claim for compensation of damages and it may, through the review procedure, also allow the renewal of the dispute. That is a hypothetical discussion of opportunities.

Villu Pavelts asked to specify if it had been more like an emotional move?

Kaupo Lepasepp- the decision has been made by the Management Board of the Public Limited Company, whom his experience has rendered as rational people. It is a well thought out and thorough decision, in which the intention to protect the interests of the company and its shareholders prevails.

Villu Pavelts- drawing a parallel with football, a referee makes a decision, which everybody deems unfair, but nothing is done. Currently, there may be a situation, where we all understand that ASTV was unfairly treated, but it would not show in the tariffs or financial performance in any way.

Kaupo Lepasepp- in football, there is no opportunity to go to the ECHR to challenge the unfair decision of the referee. Insofar as the Estonian legal system provides that opportunity, the duty of the Management Board to the shareholders and the company is to use all legitimate possibilities, which is the reason why that step was taken.

3. **Peeter Pokk**- you submitted an application for new tariffs to the Competition Authority. Currently, the tariff of one cubic metre of water for companies is EUR 4.04 and slightly less for natural persons. What will the new tariffs to be approved by the Competition Authority be, how much would the prices drop?

Riina Käi- we believe that the tariffs we charge from our consumers are competitive and fair. There are areas, where the price of one cubic metre of water costs almost twice as much for domestic customers. Some adjustment is likely to take place. Concerning the tariffs for domestic and commercial customers, the applicable regulation does not allow reducing that difference by more than 1/15. Competition Authority is likely to form such a position. Hopefully, the new tariffs will be favourable for ASTV. It is too early to say what the new tariffs would be.

4. **Villu Pavelts**- the information stated that none of the members of the Supervisory Council and the Management Board own the shares in the Public Limited Company. Is that an internal rule or do those persons not believe in the Public Limited Company?

Karl Brookes- Mr Gardiner and myself are not allowed to own shares due to a potential conflict of interests.

Riina Käi- I own 100 shares. However, the tariff dispute has been ongoing over the time I have been working in the company, which has led to the situation where I have more information than regular shareholders would have at any point in time. Myself purchasing or selling shares may in some sense serve as an indicator to the other shareholders, because one may think that my decisions are made on the basis of inside information. However, I do believe in the company I work for.

Aleksandr Timofejev- I do not own any shares, none of ASTV or any other company. The reason is that I have other priorities and I do not invest in shares.

5. **Aleksei Lihhavsuk** (Ostway OÜ)- question regarding the cash balance. After the payment of dividends there would be EUR 40 million of cash on the company's account, EUR 17.5 million of which is the provision for the court procedure and EUR 22.5 million remains in reserve. What are the plans with the reserve, why it was not used as dividends?

Riina Käi- we are still in disputes, the provision to cover third-party claims, may turn out to be insufficient. We do not know for sure whether and how many claims there would be, although we ourselves are convinced of our lawful behaviour. Neither do we currently know what the tariffs of the Public Limited Company would be. It would be premature to pay the sum out as dividends. We will review the subject when we have somewhat more clarity in terms of both legal and economic matters.

6. **Toomas Taube**- does the final verdict of the Supreme Court in the local courts affect the decision of the International Arbitration and how does it do so? Could the final decision in International Arbitration have been made before the Supreme Court's decision?

Riina Käi- I see those as separate procedures. The content is the same, but the claims are different. One dispute was about the bindingness of the contract on the Competition Authority, the other dispute concerns the protection of investor's rights and potential compensation. The decision of the arbitration could also have come

earlier, but it did not. The delay in the final verdict from the arbitration procedure is definitely not connected with the Supreme Court's decision.

Toomas Taube clarified the question – was the compensation claim to the arbitration in any case dependent on the behaviour of the Supreme Court, i.e. would the compensation claim to the arbitration have been lower if the Supreme Court had decided in favour of ASTV?

Riina Käi- hypothetically speaking, the arbitration would have probably taken this into account in its arguments. Double payment of the same claim of damages cannot be ruled.

7. **Villu Pavelts-** I did not get an answer to my question – what would be the minimum and maximum potential outcome of the appeal to the ECHR. What was the purpose of going to the ECHR?

Kaupo Lepasepp- ECHR will form a position on that complaint, whether it is justified, has the State of Estonia been or not been in breach of its obligations stemming from the convention. ECHR itself would not open any of the earlier disputes or order a compensation to be paid. It will issue a document stating whether or not the state has breached its obligations. If it appears that the obligations have been violated, there would be opportunities in national level. There are 2 of those. To reinstate the dispute through the claim of compensation for damages and a review procedure. the claim of compensation for damages would be a minimum program, and the conclusion that the tariffs of the Public Limited Company should have been determined based on the Services Agreement would be the maximum program.

8. **Priit Raudsepp**, Chairman of the Meeting read the question asked by the shareholder **Priidu Pärna** (Annex No. 3 to the Minutes).

Riina Käi- it is unfortunate that the tariffs that are at a reasonable level compared to the other water companies are considered excessive. Water is not a service, product or goods that one can have for free. Clean water is a resource. It takes efforts to provide high-quality services. Regarding the question, as I said earlier, we already explained what basis was used to calculate the provision. It is an estimation, which the Competition Authority could see as tariffs calculated based on its methodology and the tariffs that have been submitted by ASTV so far. The Public Limited Company has acted lawfully, we have not made the tariffs up by ourselves, but those have been approved by the regulator, i.e. by the previous regulator. Therefore, I do not deem the potential third-party claims justified. Currently, we are committed to effective negotiations with the Competition Authority and to having the new tariffs approved and take effect after having been approved and made public to the customers in line with the legal acts.

As the participants of the Meeting had no more questions, the Chairman of the Meeting declared the Meeting ended.

The voting was carried out by ARS Corporate Services OÜ. The voting took place via electronic voting devices issued to the shareholders upon entering them to the list of shareholders. The voting results were calculated by electronic means.

Making of the decisions set out in these minutes complies with the requirements set out in the law and Articles of Association.

The following has been attached to these minutes:

1. List of participants of the Meeting
2. Powers of Attorney of the representatives of shareholders
3. The question submitted in writing by a shareholder Priidu Pärna to the Chairman of the Meeting

Before signing, this notarial deed and annexes thereto have been given for review to the Chairman of the Meeting and the person who took the minutes, thereafter these have been autographed in the presence of the verifier of this notarial deed.

This notarial deed (minutes and decisions of the General Meeting) has been prepared and signed in one (1) copy, which shall be kept at the notary's office. On the day of preparing this notarial deed, the Public Limited Company shall receive a transcript of this notarial deed.

This document includes 77 pages bound with cord and embossing seal.

Notary fee: Minutes of the General meeting EUR 319.50 (§ 18 section 4, 22, 29 section 1 subsection 4 of the Notary Fees Act).
Departure to the Meeting location EUR 3.80 (§ 36 sections 2 and 3, § 37 of the Notary Fees Act).

Total Notary fee	EUR 323.30
Value added tax	EUR 64.66
Total	EUR 387.96

Chairman of the Meeting _____
First and last name Signature

Secretary of the Meeting _____
First and last name Signature