

**ARTICLES OF ASSOCIATION  
OF AS TALLINNA VESI**

**1. BUSINESS NAME, SEAT AND LEGAL STATUS OF THE COMPANY**

1.1. The business name of the public limited company (hereinafter the “Company”) is:

Aktsiaselts Tallinna Vesi (abbreviated as AS Tallinna Vesi).

1.2. The seat of the Company is Tallinn, the Republic of Estonia.

1.3. The Company shall be liable for performance of its obligations with all of its assets. The shareholders shall not be personally liable for the obligations of the Company. The Company shall not be liable for the obligations of its shareholders.

1.4. The Company has been founded for an indefinite term.

**2. PURPOSE OF THE ACTIVITIES OF THE COMPANY, ITS AREAS OF ACTIVITY AND RIGHTS**

2.1. **The areas of activity of the Company are:**

2.1.1. Supplying of consumers with drinking and industrial water meeting the applicable quality standards, leading off and treatment of consumers’ waste water and storm water;

2.1.2. Designing and building of water supply and sewerage facilities, repairs and maintenance thereof, as well as liquidation of accidents;

2.1.3. Consultations and training in the field of water supply and sewerage;

2.1.4. Laboratory analysis of the quality of drinking water and waste water;

2.1.5. Developing and issuing of technical conditions for water supply and sewerage system;

2.1.6. Maintenance and repairs of the energetics equipment for water supply and sewerage system;

2.1.7. Utilisation of sludge, which is created by purification and treatment of drinking water and waste water, production and sale of greening soil;

2.1.8. Heat generation on the basis of purified waste water;

- 2.1.9. Developing, production, mediation and sale of technical and technological solutions, equipment, machinery, measuring devices, and operating systems for water supply and sewerage system;
- 2.1.10. Transportation services.
- 2.2. The Company has a right to perform all and any legal acts necessary for the activities of the Company that are not in conflict with law or the articles of association of the Company.

### **3. SHARE CAPITAL AND SHARES**

#### **3.1. Share Capital**

- 3.1.1. The share capital is formed of monetary or non-monetary (in-kind) contributions. The value of non-monetary contributions shall be determined by an expert appointed by the supervisory council of the Company, based on the ordinary value of the thing or right. Valuation of non-monetary contributions shall be audited by an auditor according to the principles provided by law.
- 3.1.2. The minimum share capital of the Company shall be 12,000,000 euros and the maximum share capital shall be 48,000,000 euros.
- 3.1.3. A shareholder who is in delay with his/her contribution shall pay a fine for delay to the Company in the amount of 0.05% for each day of delay. The management board of the Company shall send a notice to the shareholder in delay with payment with a request to pay the overdue amount within one month after receipt of the notice, indicating that upon failure to make the payment the shareholder will lose his/her share. If the shareholder fails to pay the overdue amount within the term specified in the request, the shareholder shall lose his/her share. A sum paid by the shareholder which does not exceed one-fifth of the nominal value of the share shall be transferred to the reserve capital of the Company, and the remainder of the sum shall be refunded to the shareholder.

#### **3.2. Shares**

- 3.2.1. The Company has two classes of shares:
  - 3.2.1.1. Registered shares with the nominal value of 0.6 euros (sixty euro cents) per each share (hereinafter “**A-share**”). Each A-share grants its holder 1 (one) vote at the general meeting of the shareholders of the Company and the right to participate in the general meetings of the shareholders of the Company and in the distribution of profits and in the distribution of the remaining assets upon dissolution of the Company, as well as any other rights set forth in the law and in the articles of association of the Company.
  - 3.2.1.2. The Company has one registered preferred share with the nominal value of 60 (sixty) euros

(hereinafter “**B-share**”). The B-share grants its holder the right to participate in the general meeting of the shareholders of the Company and in the distribution of profits and in the distribution of the remaining assets upon dissolution of the Company, as well as any other rights provided by law and the articles of association of the Company. The B-share grants the shareholder the preferential right to receive a dividend in an agreed sum of 600 (six hundred) euros.

### 3.3. **Share Transfer**

Shares are freely transferable.

### 3.4. **Registration of Shares**

All shares of the Company shall be registered with the Estonian Register of Securities in a dematerialised form. No share certificates shall be issued to holders of the shares of the Company.

## 4. **CONVERTIBLE BONDS**

4.1. The Company may issue convertible bonds upon a resolution of the general meeting of the shareholders of the Company.

4.2. The sum of the nominal values of convertible bonds may not exceed 1/3 of the share capital.

## 5. **RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

### 5.1. **Rights of Shareholders**

5.1.1. The shareholders shall be equal under equal circumstances.

5.1.2. The rights of the shareholders are provided by law and the articles of association of the Company.

### 5.2. **Obligations of Shareholders**

5.2.1. A shareholder must comply with the obligations imposed on him/her by law and the articles of association of the Company.

## 6. **MANAGEMENT OF THE COMPANY**

### 6.1. **The governing bodies of the Company are:**

6.1.1. the general meeting of the shareholders (hereinafter the “**General Meeting**”);

6.1.2. the supervisory council (hereinafter the “**Supervisory Council**”);

6.1.3. the management board (hereinafter the “**Management Board**”).

## 6.2. General Meeting

- 6.2.1. The General Meeting is the highest governing body of the Company. There can be annual and extraordinary General Meetings. If the Company has only one shareholder, then the shareholder shall have all the rights of the General Meeting.
- 6.2.2. An annual General Meeting shall be held once a year but not later than within 6 (six) months from the end of a financial year. The Management Board shall notify the shareholders of an annual General Meeting at least 3 (three) weeks in advance.
- 6.2.3. The Management Board shall call an extraordinary General Meeting in cases provided by law, serving a notice of it at least 3 (three) weeks in advance to the shareholders. A request for an extraordinary General Meeting shall be presented to the Management Board in writing.
- 6.2.4. The Management Board shall notify the shareholders of the General Meeting in accordance with the procedure set forth by law.
- 6.2.5. The General Meeting shall be held in the Republic of Estonia, at the time and place determined by the Management Board.
- 6.2.6. The General Meeting has a quorum if more than half of the votes represented by shares are present.
- 6.2.7. The General Meeting has competence to:
  - 6.2.7.1. amend the articles of association of the Company;
  - 6.2.7.2. increase the share capital;
  - 6.2.7.3. decide on issue of shares, convertible bonds, stock options and other equity linked instruments or other rights which are directly or indirectly convertible into or exercisable for, or entitle to acquire or subscribe for shares in the Company; incl. decide on delegating the right to pass any such resolutions to the Supervisory Council if and to the extent permitted under applicable law;
  - 6.2.7.4. adopt any decision referenced in Section 6.2.7.3 with terms and conditions that directly or indirectly exclude a right of the shareholders of the Company to subscribe for the respective shares, convertible bonds, stock options or any other equity linked instruments or other rights referenced in Section 6.2.7.3 proportionately based on the proportion of share capital of the Company represented by their shares, and/or to otherwise decide on increase of the share capital of the Company otherwise than proportionately with respect to all shareholders based on the proportion of share capital of the Company represented by their shares;
  - 6.2.7.5. decrease the share capital;
  - 6.2.7.6. elect an auditor;
  - 6.2.7.7. designate a special audit;
  - 6.2.7.8. approve the annual report and distribute profit;

- 6.2.7.9. decide on dissolution, merger, division and transformation of the Company;
  - 6.2.7.10. elect and recall members of the Supervisory Council, as provided in Section 6.3.7.1 hereof;
  - 6.2.7.11. decide on submission of a claim against a member of the Supervisory Council and on the appointment of a representative of the Company for the purposes of such claim;
  - 6.2.7.12. decide on conclusion of a transaction with a member of the Supervisory Council (except for transactions concluded by the Company in the course of day-to-day business on the basis of market prices or generally applicable price list of the Company) and on the appointment of a representative of the Company for the purposes of such transaction;
  - 6.2.7.13. decide acquisition of treasury shares, as well as the subsequent sale or cancellation thereof, based on proposal submitted to the General Meeting by the Supervisory Council or the Management Board;
  - 6.2.7.14. decide on listing or termination of listing of the shares on any stock exchange, based on proposal submitted to the General Meeting by the Supervisory Council or the Management Board;
  - 6.2.7.15. decide on other issues related to the activities of the Company, at the request of the Management Board or the Supervisory Council;
  - 6.2.7.16. decide on other issues placed in the competence of the General Meeting by law.
- 6.2.8. A resolution of the General Meeting is adopted if more than half of the votes represented by A-shares at the General Meeting have been cast in its favour, except upon deciding on issues referred to in Sections 6.2.7.1; 6.2.7.4; 6.2.7.5; 6.2.7.9; 6.2.7.12; 6.2.7.13 and/or 6.2.7.14 above, as well as in Sections 6.3.2.2; 6.3.2.3; 6.3.2.11 and 6.3.3 if submitted for deciding to the shareholders, in which case a resolution is adopted if at least 83% of the votes represented by A-shares at the General Meeting have been cast in its favour. A resolution of the General Meeting on issues that require a greater majority of votes by law is adopted if the number of votes required by law have been cast in its favour.
- 6.2.9. **Electronic participation in the General Meeting**
- 6.2.9.1. The shareholders may vote on the draft resolutions prepared with respect to the items on the agenda of a General Meeting by using electronic means prior to the General Meeting or during the General Meeting if it is possible in a technically secure manner and if it has been established in the notice of convening a General Meeting.
  - 6.2.9.2. The procedure of the electronic voting shall be determined by the Management Board. Electronic voting must be performed in a format that can be reproduced in writing.
  - 6.2.9.3. The notice of convening a General Meeting shall establish whether electronic voting is possible and shall include a reference to the procedure of the electronic voting determined by the Management Board.
  - 6.2.9.4. The shareholder who voted by electronic means shall be deemed to have taken part in the General Meeting and the votes represented by his/her shares shall be counted towards the quorum of the General Meeting unless otherwise provided by law.

6.2.10. Resolutions of the shareholders of the Company may also be adopted without convening a meeting pursuant to procedure provided by law. In order to be validly adopted, more than half of all votes represented by the A-shares of the Company must have been cast in favour of the resolution, except upon deciding on issues referred to in Sections 6.2.7.1; 6.2.7.4; 6.2.7.5; 6.2.7.9; 6.2.7.12; 6.2.7.13 and/or 6.2.7.14 above, as well as in Sections 6.3.2.2; 6.3.2.3; 6.3.2.11 and 6.3.3 (if submitted for deciding to the shareholders), in which case a resolution is adopted if at least 83% of all votes represented by A-shares of the Company have been cast in its favour. A resolution of the shareholders of the Company on issues that require a greater majority of votes by law is adopted if the number of votes required by law have been cast in its favour.

### 6.3. **Supervisory Council**

6.3.1. The Supervisory Council plans the activities of the Company, organises the management of the Company and supervises the activities of the Management Board.

6.3.2. The Supervisory Council has competence to:

6.3.2.1. plan the activities of the Company and approve the strategy of the Company;

6.3.2.2. approve the business plan and annual budget of the Company and its subsidiaries, as well as approve any subsequent material changes thereto;

6.3.2.3. approve changes to the gearing policy of the Company and its subsidiaries;

6.3.2.4. give instructions to the Management Board on organising the management of the Company, and supervise the activities of the Management Board;

6.3.2.5. elect and recall members of the Management Board;

6.3.2.6. determine the duties of the members of the Management Board and establish the principles of their remuneration;

6.3.2.7. determine the composition and the terms of service or employment of the executive management team of the Company and its subsidiaries in addition to Sections 6.3.2.5 and 6.3.2.6;

6.3.2.8. appoint and remove a procurator;

6.3.2.9. make changes to the profit distribution proposal;

6.3.2.10. determine the agenda of a General Meeting;

6.3.2.11. grant consent to the Management Board for transactions and activities set forth in Section 6.3.3 hereof;

6.3.2.12. decide on other issues placed in the competence of the Supervisory Council by law or the articles of association of the Company.

6.3.3. The consent of the Supervisory Council is necessary for the Management Board for the following transactions and activities, provided that (i) approval thereof is not in the competence of the General Meeting by effect of the law, any applicable stock exchange rules or the articles of association of the Company; and (ii) the respective transaction, expense or other action has not already been specifically and in due details approved in a duly approved annual budget or business

plan of the Company and its subsidiaries (except for the transactions, expenses and other actions set forth in Sections 6.3.3.3 and 6.3.3.5, which must always be approved by the Supervisory Council):

- 6.3.3.1. approving any expenditure of the Company or any of its subsidiaries, individually or in the aggregate (in any period of 12 months) exceeding 650,000 (six hundred and fifty thousand) euros, unless different limits are decided by the Supervisory Council in accordance with Section 6.3.3.17;
- 6.3.3.2. approving development projects and investments by the Company or any of its subsidiaries with the value in excess of 650,000 (six hundred and fifty thousand) euros, unless different limits are decided by the Supervisory Council in accordance with Section 6.3.3.17;
- 6.3.3.3. granting and assumption of credits and loans by the Company or any of its subsidiaries;
- 6.3.3.4. provision of any guarantee, surety or other similar security by the Company or any of its subsidiaries where the aggregate amount of guarantees, sureties or other similar securities issued by the Company and all its subsidiaries in the respective financial year would exceed 500,000 (five hundred thousand) euros;
- 6.3.3.5. creating or extending any pledge, mortgage, charge or other encumbrance over the whole or any part of the assets (including but not limited to immovables and registered movables) of the Company or any of its subsidiaries;
- 6.3.3.6. closing by the Company or by any of its subsidiaries any existing line of business or commencing any new line of business;
- 6.3.3.7. making of any material change to the nature or geographical area of the business of the Company or any of its subsidiaries;
- 6.3.3.8. discontinuing, sale, lease, encumbering, reorganisation or other disposal of any material business or material business assets of the Company or any of its subsidiaries;
- 6.3.3.9. acquisition, disposal or termination by the Company or by any of its subsidiaries of holdings in other companies, incl. incorporation and dissolution of any such companies, as well as conclusion, termination and amendment of shareholders' agreements related thereto;
- 6.3.3.10. acquisition or transfer by the Company or by any of its subsidiaries of an enterprise, founding of a new enterprise or termination of the activities of an enterprise;
- 6.3.3.11. establishment or termination of any contract-based joint venture, partnership, consortium or other similar arrangement involving the Company and/or any of its subsidiaries;
- 6.3.3.12. any transactions of the Company or of any of its subsidiaries with (i) the members of the Management Board or the Supervisory Council (except for transactions between the Company and a member of the Supervisory Council, which are in the competence of the General Meeting to decide) or other governing bodies of the Company and its subsidiaries, or (ii) shareholders of the Company holding at least 1/10 of the issued and outstanding A-shares of the Company, or (iii) the Related Parties of the persons mentioned in parts (i) or (ii) of this Section 6.3.3.12 – except for transactions concluded by the Company or any of its subsidiaries in its ordinary course of day-to-day business on the basis of market prices or generally applicable price list of the Company or its relevant subsidiary;
- 6.3.3.13. foundation and closure of foreign branches of the Company or any of its subsidiaries;

- 6.3.3.14. amending of the articles of association of any subsidiary of the Company;
  - 6.3.3.15. liquidation, merger, division or transformation of a subsidiary of the Company;
  - 6.3.3.16. suspension of payments or entry by the Company or any of its subsidiaries into any compromise arrangement with its creditors, commencement of proceedings for corporate restructuring or bankruptcy of the Company or any of its subsidiaries, unless so required by the mandatory provisions of applicable law;
  - 6.3.3.17. amendment of limits set forth in Section 6.3.3.1 or 6.3.3.2.
- 6.3.4. A “**Related Party**” within the meaning of Section 6.3.3.12 means with respect to any company, entity or person – any other company, other entity or person directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with such company, other entity or person, and in case of any natural person, any family member, relative or other related person; whereas “**Control**” within the meaning of this Section 6.3.4 means any control of an entity through (i) holding more than 50% of voting rights in the entity (regardless of the number of shares held) or (ii) having the right to appoint the majority of the members of the supervisory council, management board or other corresponding governing body of the entity.
- 6.3.5. Any reference to a “**subsidiary**” of the Company in Sections 6.3.2 and 6.3.3 is a reference to any and all direct and indirect subsidiaries of the Company.
- 6.3.6. The Supervisory Council reports to the General Meeting.
- 6.3.7. The Supervisory Council consists of nine (9) members with the term of office of three (3) years. The members of the Supervisory Council shall be elected, appointed and recalled as follows:
- 6.3.7.1. Five (5) members of the Supervisory Council shall be elected at the General Meeting, whereas the person who received more votes than others shall be considered elected. A member of the Supervisory Council who has been elected according to this Section of the articles of association may be recalled before expiry of his/her term of office if at least 2/3 of the votes represented by A-shares at the General Meeting have been cast in favour of such resolution.
  - 6.3.7.2. Each of the top two (2) shareholders of the Company who own most A-shares is entitled to appoint and remove two (2) members of the Supervisory Council by unilateral resolution submitted to the Management Board, whereas the resolution must either be digitally signed or the signature(s) on the resolution certified by a notary. No single shareholder of the Company may appoint or remove more than two (2) members of the Supervisory Council on the basis of this Section 6.3.7.2. A shareholder may remove on the basis of this Section 6.3.7.2 only the same members of the Supervisory Council who have been previously appointed into office by that same shareholder on the basis of this Section 6.3.7.2.
  - 6.3.7.3. Upon receipt of the resolution referenced in Section 6.3.7.2, the Management Board shall promptly do everything necessary for recording of the respective changes among the members of

the Supervisory Council in the Estonian commercial register as soon as possible.

- 6.3.8. Members of the Supervisory Council shall elect the Chairman of the Supervisory Council from amongst themselves. The Chairman of the Supervisory Council shall organise the activities of the Supervisory Council and chair the meetings of the Supervisory Council. Members of the Supervisory Council shall also elect the Vice Chairman of the Supervisory Council from amongst themselves, who will then act as the replacement for the Chairman of the Supervisory Council in instances provided in law.
- 6.3.9. Supervisory Council meetings shall take place at the seat of the Company as necessary, but not less frequently than 1 (once) per 3 (three) months. Among others, any member of the Supervisory Council and any shareholder(s) whose shares represent at least 1/10 of the share capital of the Company may request calling of Supervisory Council meeting; the Chairman of the Supervisory Council shall call the meeting as soon as reasonably possible after receiving such request, but not later than within two (2) weeks after receipt of such request. If the Chairman of the Supervisory Council fails to call the Supervisory Council meeting within such time, then in addition to the persons entitled to do so by law, also the Vice Chairman of the Supervisory Council may call the Supervisory Council meeting.
- 6.3.10. Notice of a Supervisory Council meeting and the agenda thereof shall be sent to the members of the Supervisory Council at least 10 (ten) days in advance. The notice of the Supervisory Council meeting and the materials thereof shall be sent to the members of the Supervisory Council by electronic mail. Each Supervisory Council meeting must be organised in a way that enables any member of the Supervisory Council to participate in the meeting also via electronic means.
- 6.3.11. A meeting of the Supervisory Council has a quorum if at least five (5) members of the Supervisory Council are present. A member of the Supervisory Council may not be represented at the meeting or in the making of resolutions by another member of the Supervisory Council or by a third person.
- 6.3.12. A resolution of the Supervisory Council is considered to be adopted if at least five (5) members of the Supervisory Council voted in its favour; except for resolutions specified in Sections 6.3.2.2; 6.3.2.3; 6.3.2.5; 6.3.2.9; 6.3.2.11 and 6.3.3 which can only be adopted by the affirmative votes of all members of the Supervisory Council participating in the meeting (if the number of members participating in the meeting is eight (8) or less) or of at least eight (8) members of the Supervisory Council participating in the meeting (if the number of members participating in the meeting is nine (9)). If any member of the Supervisory Council must abstain from voting on the matter at issue, the required number of affirmative votes shall be decreased by the number of members of the Supervisory Council who must abstain from voting. Higher majority requirements will apply in cases specified in the applicable law.
- 6.3.13. Meetings of the Supervisory Council shall be recorded in minutes. The minutes shall be signed by all participating members of the Supervisory Council and the secretary of the meeting.

6.3.14. The Supervisory Council has the right to adopt resolutions without calling a meeting. In this case the Chairman of the Supervisory Council shall send a draft of the resolution to all members of the Supervisory Council by electronic mail, indicating the deadline by which a member of the Supervisory Council must submit his/her written position. If a member of the Supervisory Council has not given notice within such term on whether he is for or against the resolution, it shall be deemed that he votes against the resolution. If the procedure specified in this Section is applied upon adopting a resolution, the resolution shall be adopted if at least five (5) votes of the members of the Supervisory Council have been cast in its favour, except for resolutions specified in Sections 6.3.2.2; 6.3.2.3; 6.3.2.5; 6.3.2.9; 6.3.2.11 and 6.3.3 which can only be adopted without calling a meeting if at least eight (8) members of the Supervisory Council have voted in favour. If any member of the Supervisory Council must abstain from voting on the matter at issue, the required number of affirmative votes shall be decreased by the number of members of the Supervisory Council who must abstain from voting. Higher majority requirements will apply in cases specified in the applicable law.

#### 6.4. **Management Board**

6.4.1. The Management Board is a management body of the Company that represents and manages the Company and organises its accounting. Upon managing the Company, the Management Board must adhere to the lawful instructions of the Supervisory Council. The Management Board may make transactions specified in Section 6.3.3 of the articles of association of the Company only with the consent of the Supervisory Council.

6.4.2. The Management Board comprises two (2) to three (3) members who shall be elected for a term of five (5) years. The members of the Management Board shall elect the Chairman of the Management Board from amongst themselves. The Chairman of the Management Board shall organise the activities of the Management Board.

6.4.3. The rights and obligations of a Management Board member (director) shall be specified in a contract to be concluded with such member. The conclusion, amendment and termination of such contracts is in the competence of the Supervisory Council.

6.4.4. If the Management Board has more than one member, the resolutions of the Management Board shall be adopted at a meeting. The Management Board meeting shall be convened by the Chairman of the Management Board. A Management Board meeting has a quorum if more than half of the Management Board members are present. A resolution of the Management Board is adopted if more than half of the participating members of the Management Board voted in its favour. When adopting a resolution, each member of the Management Board has one vote.

6.4.5. The Management Board has competence to:

6.4.5.1. manage the Company operatively and represent the Company, as well as solve any current business issues;

- 6.4.5.2. implement the resolutions of the shareholders and the Supervisory Council;
  - 6.4.5.3. prepare annual accounts, activity report and profit distribution proposal according to the law;
  - 6.4.5.4. organise the accounting of the Company;
  - 6.4.5.5. set up reserve funds;
  - 6.4.5.6. file the annual report that has been approved by the shareholders with the commercial register;
  - 6.4.5.7. organise the activities of the Company;
  - 6.4.5.8. issue written orders and instructions;
  - 6.4.5.9. employ and dismiss employees;
  - 6.4.5.10. decide on issues that are not in the competence of the Supervisory Council or the General Meeting according to the law or the articles of association of the Company.
- 6.4.6. A member of the Management Board shall not participate in voting if granting of consent for the conclusion of a transaction between that member and the Company is being decided, or if conclusion of a transaction between the Company and a legal person, in which such member of the Management Board or person connected to him (in the meaning of the Rules of the Tallinn Stock Exchange) has a qualifying holding (in the meaning of the Rules of the Tallinn Stock Exchange), is being decided.

## **7. RIGHT OF REPRESENTATION**

- 7.1. The Company may be represented in all legal acts by the Chairman of the Management Board individually and by any other members of the Management Board jointly with at least one other member of the Management Board.

## **8. FINANCIAL YEAR, REPORTING, RESERVE CAPITAL AND DISTRIBUTION OF PROFIT**

- 8.1. The financial year of the Company commences on January 1<sup>st</sup> and ends on December 31<sup>st</sup>.
- 8.2. The Management Board shall prepare the annual report of the Company and present the annual report together with the auditor's report to the Supervisory Council and to the General Meeting. The annual report shall be approved by the General Meeting.
- 8.3. The profit distribution proposal shall be adopted by the General Meeting on the basis of the approved annual accounts.
- 8.4. Dividends shall be paid to the shareholders shall on the basis of and to the extent set forth in a resolution of the General Meeting. The procedure of payment of dividends shall be determined by a resolution of the General Meeting.
- 8.5. The amount of reserve capital of the Company shall be 1/10 of the share capital. The reserve capital shall be formed of annual allocations from net profit, as well as of other allocations

transferred into the reserve capital pursuant to law. At least 1/20 of net profit shall be transferred into the reserve capital each financial year. After the reserve capital has reached the amount set forth by the articles of association of the Company, transfers into the reserve capital on the account of the net profit shall cease.

The reserve capital may be used on the basis of a resolution of the General Meeting for covering a loss, if it is not possible to cover the loss on the account of the available shareholders' equity, as well as for increasing the share capital of the Company. Reserve capital may not be used for making payments to the shareholders.

## **9. AUDITOR AND SPECIAL AUDIT**

9.1. The General Meeting shall determine the number of and appoint the auditors. The General Meeting shall also determine the principles of the remuneration of auditors. Auditors may be appointed for a specified term or for fulfilment of a specific assignment.

9.2. Shareholders whose shares represent at least 1/10 of the share capital may demand a resolution to be adopted at the General Meeting on conducting of a special audit in issues related to the management or financial situation of the Company, as well as on the appointment of an auditor for the special audit. If the General Meeting fails to adopt a resolution on conducting of a special audit, the shareholders whose shares represent at least 1/10 of the share capital may demand conducting of a special audit and the appointment of an auditor for the special audit by court. If the auditors for the special audit are appointed by the General Meeting, the latter shall also establish the principles of their remuneration.

9.3. Members of the Management Board and of the Supervisory Council must allow the auditors for the special audit to inspect all documents necessary for conducting the special audit and provide any necessary information. The auditors for the special audit must keep the business secrets of the Company.

9.4. The auditors for the special audit shall prepare a report on the results of the special audit that shall be presented to the General Meeting.

## **10. DISSOLUTION OF THE COMPANY**

10.1. Methods of dissolution: the Company may be dissolved by liquidation, merger, division or transformation, or by any other manner provided by law.

10.2. Liquidation

10.2.1. The General Meeting that adopts a resolution on liquidation also appoints the liquidators of the Company, unless otherwise provided by law. There may be one or several liquidators.

10.2.2. Payments to shareholders from the assets of the Company remaining upon liquidation shall be

made according to the procedure provided by law. Payments may be monetary or non-monetary.

10.3. **Merger, Division and Transformation**

The merger, division and transformation of the Company shall take place according to the procedure provided by law.

These articles of association have been approved by a resolution of the shareholders of the Company on [ ] [ ] 2021.