

AS TALLINNA VESI SUPERVISORY COUNCIL REPORT ON ACTIVITIES IN THE FINANCIAL YEAR OF 2021

The Supervisory Council of AS Tallinna Vesi (hereinafter the Company) has, by the minuted decision of the 28 April 2022 Council meeting, approved this report providing an overview of the activities of the Council in managing and administrating the Company, to be presented to the Annual General Meeting of the shareholders of the Company to be held on 03 June 2022.

The Council has examined the integrated Annual Report for the financial year of 2021 (Annual Report) presented by the Management Board of the Company, comprising the Annual Accounts, the Management Board's activity report, remuneration report and sustainability report and along with the appended certified auditor's reports.

The Council unanimously resolved to approve the integrated Annual Report for the financial year of 2021 with appendices.

The Council has organized and directed the activities of the Company in accordance with applicable law and the Articles of Association of the Company.

During the financial year of 2021, the Council held meetings on 28 January, 02 March, 25 March, 29 April, 29 July, and 28 October.

During the meetings held during the financial year of 2021, the Council discussed various issues and supporting data, relating to the management and administration of the Company, including the financial performance of the Company, investments into the capital assets thereof, the Company's compliance with the Levels of Service as set out in the Services Agreement. The Operating Cost, Revenue and Capital budgets for the financial year of 2022 were examined in detail and approved, as were other issues raised by the Management Board, such as prolongation of loan agreements, appointing a third member of the Management Board and the Company's 5 years' investment strategy.

The Council was also actively engaged in the matters of the Company in between the Council meetings and adopted several resolutions without calling a meeting:

- 20/01/2021 – resolution to authorise the Management Board to conclude an agreement with the winner of the procurement „Reconstruction of wastewater collector at Kadaka boulevard“;
- 25/02/2021 – resolution to extend the Technical Service Agreement so that the agreement will continue up to date of closing. i.e. until the date of the transmission of the shares of United Utilities (Tallinn) B.V to Tallinn City and OÜ Utilitas;
- 02/03/2021 – resolution to approve the proposals of the Management Board with respect to the decisions to be adopted by the shareholders;
- 09/03/2021 – resolution to authorize the Management Board to sign on behalf of the Company the amendments to the Loan Agreements;
- 14/04/2021 – resolutions: 1) to elect Mr Priit Koit as a Council chairman; 2) to elect Mr Priit

Lello as a Council Vice Chairman; 3) to elect the following member of the Council committees: Audit Committee: Mr Robert Kitt, Mr Mart Mägi, Mr Allar Jõks; Remuneration and Nomination Committee: Mr Priit Koit, Mr Priit Lello, Mr Priit Rohumaa; Corporate Governance Committee: Mr Robert Kitt, Ms Katrin Kendra, Mr Allar Jõks, Ms Kristi Ojakäär, Mr Aleksandr Timofejev;

- 19/04/2021 – resolution to approve the Council opinion about the Takeover Offer;
- 13/05/2021 – resolution to prolong the term of office of the Member of the Management Board Mr Aleksandr Timofejev for the next 5 years from 30/10/2021 until 30/10/2026 (inclusive);
- 19/05/2021- resolutions 1) approval of amendments to the 2021 budget; 2) The result of procurement “Reconstruction of the shaft at the main pumping station” and contract award”.
- 06/09/2021- resolution “Approval of creating personal rights of use over the immovable asset of the Company”.
- 05/11/2021- resolution to authorise the Management Board to sign a contract with the winner in procurement “1st stage of reconstruction of the pressure pipes of Raba Street pumping station (From Raba Street 44 until pipes’ connection 120-220) and 2nd stage (from pipes’ connection 120-220 until points KS-145, KS-245 and V45);
- 15/12/2021- resolution to approve the proposals of the Management Board regarding the agenda for the resolutions to be adopted by the shareholders
- 30/12/2021- resolutions 1) Approval of amendment to the 2022 budget for the project “Reconstruction of Rummu pumping station”; 2) awarding the winner in the procurement “Reconstruction of Rummu pumping station and authorising the conclusion of the contract

It is the understanding of the Council that any issues outside the day-to-day management of the Company have been referred by the Management Board to the Council for consent as required by the law and the Articles of Association of the Company.

In addition, the Management Board has submitted to the Council, at each appropriate meeting, a Management Report (that included information on corporate issues, operations, developments, customer services and financial issues) in order to give a full overview of the economic activities, financial position, corporate governance and service delivery levels of the Company and the activities of the Management Board.

During the financial year of 2021, there were significant changes in the membership of the Council that was connected with the change of major shareholders of the Company: On 31/03/2021 Mr Simon Roger Gardiner, Mr Martin Padley, Mr Brendan Francis Murphy and Mr Thomas Wright Lissett were recalled. On 06/04/2021 the term of office of Mr Toivo Tootsen ended and in April 2021 the following new members were appointed or elected on the following dates: On 01/04- Mr Robert Kitt and Mr Mart Mägi; on 12/04- Mr Priit Koit and Mr Niall Patrick Mills, on 26/04- Mr Andrei Korobeinik.

The full list of Council members during the financial year of 2021 and their terms of office are listed in the Appendix 1 of this report.

As a result of the activities and good work of the Management Board, in the financial year of 2021, a major part of targets set for the Company in 2021 were met.

The Council appreciates the contributions of the Management Board and all other employees, in further enhancing performance during 2021.

Appendix 1 – Council members during 2021

The Council members of the Company in 2021 were:

Name	From
<i>Simon Roger Gardiner</i>	<i>since 10/12/2010, last re-election as of 4/06/2020, recalled from 31/03/2021</i>
<i>Martin Padley</i>	<i>since 1/11/2014, last re-election as of 3/11/2020, recalled from 31/03/2021</i>
Katrin Kendra	since 31/05/2018, last re-election as of 01/06/2020
<i>Toivo Tootsen</i>	<i>since 07/04/2011, last re-appointment as of 07/04/2019 also 21/12/2001-16/11/2004, the term of office ended on 06/04/2021</i>
Priit Lello	since 16/11/2011, last re-appointment as of 16/11/2021
Allar Jõks	since 21/05/2013, last re-election as of 03/06/2021
<i>Brendan Francis Murphy</i>	<i>since 27/10/2011, last re-appointment as of 29/10/2019, recalled from 31/03/2021</i>
James Keith Haslett	<i>since 22/01/2018, re-appointed as of 23/01/2020, recalled from 31/03/2021</i>
Priit Rohumaa	since 1/06/2017, last re-election as of 3/06/2021
Robert Kitt	Elected as of 01/04/2021
Mart Mägi	Elected as of 01/04/2021
Priit Koit	Appointed as of 12/04/2021
Niall Patrick Mills	Appointed as of 13/04/2021
Andrei Korobeinik	Appointed as of 26/04/2021