

ARTICLES OF ASSOCIATION OF AKTSIASELTS TALLINNA SADAM

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

- 1.1 The business name of the public limited company is Aktsiaselts Tallinna Sadam. The name may also be abbreviated as AS Tallinna Sadam.
- 1.2 The seat of Aktsiaselts Tallinna Sadam („the Company“) is Tallinn, Republic of Estonia.
- 1.3 The Company has been established without a term.

2. MAIN FIELD OF ACTIVITY AND PURPOSE OF THE COMPANY

- 2.1 The main field of activity of the Company is port operation services (EMTAK 52221). In addition to the main field of activity, the Company may engage also in other fields.
- 2.2 The purpose of the Company is to operate profitably in its main field of activity.

3. SHARE CAPITAL AND SHARES

3.1 Share capital

The minimum share capital of the Company is EUR 166,000,000 (one hundred sixty-six million euros) and the maximum share capital is EUR 664,000,000 (six hundred sixty-four million euros). The share capital of the Company may be increased and decreased within the limits of the minimum and maximum share capital without amending the articles of association („the Articles“).

3.2 Increase and decrease of the share capital

Share capital is increased and decreased according to the procedure established by the law.

3.3 Shares

- 3.3.1 The share capital of the Company is divided in shares. The shares are registered in the Estonian Register of Securities.
- 3.3.2 The Company has one class of registered shares with the nominal value of 1 (one) euro.
- 3.3.3 No share certificates are issued for the shares.

3.4 Share register

- 3.4.1 Share register is kept according to the rules established by the law.
- 3.4.2 The rights and obligations attaching to a share belong to the person who is entered as the shareholder in the share register.
- 3.4.3 A shareholder registered in the share register must inform the management board of the Company of changes in shareholder's name and address without delay.

3.5 Preferred shares and convertible bonds

The Company may issue non-voting registered preferred shares in the extent and in compliance with the rules stipulated in the law. The Company may issue convertible bonds.

3.6 Payment for the share and non-monetary contributions

- 3.6.1 Contributions for shares may be in money or non-monetary.
- 3.6.2 Monetary contributions must be transferred to the Company's bank account.

- 3.6.3 A non-monetary contribution may be anything which is monetarily appraisable and transferable to the Company or a proprietary right which may be the object of a claim. The value of the non-monetary contribution is evaluated by the management board of the Company on the basis of the usual value of the thing or the right. If generally recognised experts are available for valuation of the item of a non-monetary claim, the experts appointed by the management board must carry out the valuation on the basis of the usual value of the thing or the right. An auditor audits the valuation.

4. MANAGEMENT OF THE COMPANY

Corporate Governance Code is applied upon management of the Company.

4.1 Managing bodies of the Company

- 4.1.1 The general meeting of shareholders is the highest managing body of a Company.
- 4.1.2 The supervisory board and the management board are the managing bodies of the Company.
- 4.1.3 The following may not be members of the managing bodies of the Company:
- 4.1.3.1 persons whose culpable acts or omissions have resulted in the bankruptcy of any person;
 - 4.1.3.2 persons whose culpable acts or omissions have resulted in the withdrawal of an activity licence issued to a legal person;
 - 4.1.3.3 persons on whom the disqualification from holding director's, liquidator's or registered representative's positions and from pursuing a business as a self-employed person has been imposed;
 - 4.1.3.4 persons whose culpable acts or omissions have caused harm to a legal person;
 - 4.1.3.5 persons who have been convicted of an economic criminal offence or of a criminal offence related to the office held, or of a criminal offence against property.

The limitations stipulated in clauses 4.1.3.1-4.1.3.4 above continue to apply for five years after the declaration of bankruptcy, the withdrawal of the activity licence, the expiration of the disqualification from holding director's, liquidator's or registered representative's positions and from pursuing a business as a self-employed person, or after the payment of compensation for the harm caused. The disqualification provided in clause 4.1.3.5 does not apply to a person whose conviction has been spent.

4.2 General meeting

- 4.2.1 The general meeting is the highest managing body of a Company. General meetings may be annual and special.
- 4.2.2 An annual general meeting is held once a year in the place and at the time established by the management board. Unless stipulated otherwise in the law, the management board calls the general meeting possibly within four (4) months, but in any case, within six (6) months of the end of the business year.
- 4.2.3 Special general meetings are held when required under the law.
- 4.2.4 General meetings are decided to be convened and organised by the management board in compliance with the requirements of the law. The agenda of the general meeting is established by the supervisory board, unless stipulated otherwise by the law.
- 4.2.5 In addition to issues listed in Article 298 (1) of the Commercial Code, the following items fall within the competence of the general meeting:
- 4.2.5.1 Enacting the rules of procedure for the supervisory board;

- 4.2.5.2 Enacting the principles of management and accounting of the subsidiaries of the Company under which it is established, which resolutions of the subsidiaries require the consent of the general meeting or supervisory board of the parent company;
- 4.2.5.3 Acquisition and transfer of substantial holdings in other companies, acquisition and transfer of substantial holdings in other companies by the subsidiaries, if such transaction falls within the competence of the general meeting by law and or the rules of the stock exchange or regulated market, where the securities of the Company have been quoted or admitted to trading;
- 4.2.5.4 Other issues which fall within the competence of the general meeting under the law and/or the rules of the stock exchange or regulated market, where the securities of the Company have been quoted or admitted to trading.
- 4.2.6 A general meeting may adopt resolutions if shareholders who own over one-half of the votes represented by shares participate in the general meeting, unless the law prescribes a greater participation requirement.
- 4.2.7 A resolution of a general meeting shall be adopted if over one-half of the votes represented at the general meeting are in favour, unless the law prescribes a greater majority requirement.
- 4.2.8 Each share grants its owner one (1) vote at the shareholders' meeting of the Company.

4.3 Supervisory board

- 4.3.1 Supervisory board plans the activities of the Company, organises the management and performs supervision over the activities of the management board. Supervisory board has the rights and obligations arising under the law, unless stipulated otherwise in the articles of association. Supervisory board is accountable to the general meeting.
- 4.3.2 The supervisory board adopts resolutions on the organizing of the management and the activities of the Company and planning the work. The chairman of the supervisory board shall have the deciding vote upon an equal division of votes.
- 4.3.3 The supervisory board has six to eight (6-8) members. The term of authorities of the supervisory board members is up to five (5) years.

At least half of the members of the supervisory board are independent members (as defined in the Corporate Governance Code). In case the supervisory board consists of an odd number of members, the number of independent members can be one less than the dependent members. In addition to persons listed in 4.1.3 who are disqualified from acting as members of the supervisory board, also persons who have a substantive conflict of interest with the Company may not be supervisory board members. The substantive conflict of interest may, among other things, emanate from the fact that the person, or another party related to that person:

- 4.3.3.1 is a self-employed person who operates in the same area of activity as the Company and who is not a shareholder of the Company;
- 4.3.3.2 is a partner of a general partnership, or the general partner of a limited partnership, which operates in the same area of activity as the Company, if he or she is not a shareholder of the Company;
- 4.3.3.3 owns a qualifying holding, within the meaning of Article 9 of the Securities Market Act, in a company which operates in the same area of activity as the Company, and which is not a shareholder of the Company;
- 4.3.3.4 is a member of the governing body of another company which operates in the same area of activity as the Company, except where the other company is a partially state-owned company, or a company which belongs to the same group as the Company, or a company which is a shareholder of the Company;

4.3.3.5 has substantial business interests in relation to the Company, which among other things are reflected in owning a qualifying holding in or being a member of the governing body of a legal person which is a significant buyer of goods from the Company or seller of goods to the Company, or supplier of services to the Company or user of services of the Company.

A related party of the supervisory board member means the spouse, parent, child, grandchild and any party who is related to the supervisory board member by having a common household.

4.3.4 If one of the shareholders of the Company is the Republic of Estonia, such shareholder is entitled to make the proposal to appoint to or recall from the supervisory board at least in regard to the number of members of the supervisory board that is proportional to the shareholding of the Republic of Estonia.

4.3.5 When setting the number of members on the supervisory board of the Company, the size and financial situation of the Company must be taken into account as well as the need to ensure the capacity of the supervisory board to plan the activities of the Company, organize the management of the Company and perform supervision over the activities of the management board.

4.3.6 The consent of the supervisory board is required for conclusion of transactions stipulated in Article 317 (1) of the Commercial Code.

4.3.7 The supervisory board approves the annual budget and strategy of the Company.

4.3.8 The supervisory board decides on awarding grants and making donations and approves the respective annual budget, considering the following:

4.3.8.1 Grants are awarded and donations are made only for research and development purposes in the Company's area of activity, provided this is conducive to the attainment of the Company's activity and financial goals;

4.3.8.2 During a calendar year, the Company together with the subsidiaries which are part of the consolidation group of the Company may give out grants and make donations in the amount of up to 0.5 percent of the average consolidated net profit of the Company across the preceding three financial years;

4.3.8.3 Information concerning the grants awarded and the donations made is published through the website of the Company within three business days following the making of the corresponding decision, and the information remains publicly available on the website at least for five years following the end of grant payments or of the making of the donation;

4.3.8.4 The name or designation of the recipient of the grant, the sum of the grant and the justification showing how the grant is conducive to the attainment of the Company's activity and financial goals are stated in the Company's website;

4.3.8.5 The basis of awarding a grant or making a donation is the application of the person, which must be sufficiently detailed regarding the use of the amounts applied for in order to enable to assess the specification thereof;

4.3.8.6 Resolutions on award of grants of making donations may be adopted only for the use of the amounts designated for such purpose in the current year;

4.3.8.7 The management board sends every applicant who applies for a grant or a donation a written notice regarding approval, partial approval or dismissal of the application by the supervisory board resolution and the approved annual budget. If the amounts designated for awards and donations in a particular year have already been spent, the management board can immediately notify the applicants that the Company will not approve their application in that year;

- 4.3.8.8 The management board concludes the contracts for award of grants or transfer of donations. Such contracts must establish the purpose of use of the amounts awarded or donated, procedure for submitting reports and sanctions for inadequate use of the amounts. The supervisory board has the right to attach additional requirements or conditions to the grant of awards or donations;
 - 4.3.8.9 The amounts allocated for grants or donations under the resolution of the supervisory board that have not been unused in the respective year are to be paid out in the following year and these do not decrease the amount approved for the following year;
 - 4.3.8.10 The amounts allocated for grants or donations by the supervisory board that have not been used due to shortcomings arising from the applicant upon conclusion of the agreement or its performance are deemed as used and do not shift to the following year.
- 4.3.9 The general meeting elects the chairman of the supervisory board.
 - 4.3.10 To convene a supervisory board meeting, the chairman of the supervisory board must send a notice on convening a meeting, which includes the exact agenda, at least three (3) days before the meeting to all members of the supervisory board.
 - 4.3.11 Minutes are taken of the meetings of the supervisory board. The Company complies with the requirements established by the minister of finance on the preparation of minutes of the supervisory board and the data included in the minutes. All supervisory board members participating in the meeting as well as the recording secretary sign the minutes.
 - 4.3.12 The written resolution signed by all supervisory board members is deemed as equal to the resolution adopted in the supervisory board meeting which has been convened and held in compliance with the applicable requirements.
 - 4.3.13 A member of the supervisory board does not participate in voting if approval of the conclusion of a transaction between the member and the Company is being decided, or if approval of the conclusion of a transaction between a third person and the Company is being decided if the interests of the member of the supervisory board arising from such transaction are in conflict with the interests of the Company or if the conclusion of a transaction is being decided between the Company and a legal entity in which the supervisory board member or a person connected with the supervisory board member has a substantial shareholding. A person connected with the supervisory board member of the issuer means the spouse cohabiting with the supervisory board member or a person having a common household with the supervisory board member as well as the supervisory board member's underage child and companies controlled by the supervisory board member. Companies controlled by the supervisory board member are established on the basis of regulation of the Securities Market Act. A shareholding or ten percent (10%) or more of the votes representing the shares is deemed substantial. The voting rights are established under the Securities Market Act.

4.4 Remuneration of supervisory board member

- 4.4.1 The amount of remuneration and the rules of payment of remuneration to the supervisory board members are decided by the Company's general meeting, taking into account the specifics of the Company.
- 4.4.2 The supervisory board members receive remuneration in equal amounts. The remuneration of the chairman of the supervisory board may be higher. Supervisory board members may receive additional remuneration in connection with participating in the activities of the audit committee established under the Auditing Act or other body of the supervisory board.

4.4.3 Upon payment of remuneration to the members of the supervisory board of the Company their participation in supervisory board meetings and the activities in the supervisory board bodies are taken into account.

4.4.4 No compensation is paid to the members of the supervisory board upon their recalling.

4.5 Management board

4.5.1 The management board manages the day-to-day economic activities of the Company and represents the Company. Management board may adopt all resolutions relating to the activities of the Company and independently perform all acts which do not fall within the competence of the general meeting or the supervisory board under law or articles of association. Management board consists of 2-5 (two to five) members.

4.5.2 Management board members are elected by the supervisory board for up to 5 (five) years. The supervisory board appoints the chairman of the management board who organises the activities of the management board.

4.5.3 The rules of participation of the management board members in the organization of the day-to-day economic activities of the Company and adoption of the resolutions of the management board are established by the management board's rules of procedure.

4.5.4 A member of the management board does not participate in voting if approval of the conclusion of a transaction between the member and the Company is being decided, or if approval of the conclusion of a transaction between a third person and the Company is being decided if the interests of the member of the management board arising from such transaction are in conflict with the interests of the Company or if approval of the conclusion of a transaction is being decided between the Company and a legal entity in which the management board member or a person connected with the management board member has a substantial shareholding. A person connected with the management board member of the issuer means the spouse cohabiting with the management board member or a person having a common household with the management board member as well as the management board member's underage child and companies controlled by the management board member. Companies controlled by the management board member are established on the basis of regulation of the Securities Market Act. A shareholding of ten percent (10%) or more of the votes representing the shares is deemed substantial. The voting rights are established under the Securities Market Act.

4.6 Remuneration of management board members

4.6.1 The supervisory board approves the principles of payment of remuneration to the management board members and performs supervision over compliance with the same.

4.6.2 Remuneration may be paid to a management board member only on the basis of management board member's agreement concluded with them, the terms of which are approved by the supervisory board. If the management board member performs, in addition to the duties of the management board member, other tasks that are necessary for the Company, additional remuneration for performance of the such tasks may be paid only if this is stipulated in the management board member's agreement.

4.6.3 Management board members may receive bonus for the results of their work. The amount of bonus must be justified considering achievement of the goals set for the Company, the economic situation of the Company, the added value created and the market position of the Company. The total amount of bonus paid during an economic year may not exceed the average monthly remuneration paid to the management board member in the preceding economic year multiplied by four.

4.6.4 The Company may pay severance pay to the management board members only if recalled without a material reason on the initiative of the supervisory board before expiry of their term of authorities. The maximum amount of severance pay is the amount equal to the management board member's three months' remuneration at the time of their recalling.

5. SIGNATORY RIGHTS

- 5.1 In case the Company has more than two management board members, the Company may be represented in all legal acts only by the chairman of the management board and one member of the management board jointly. The respective restriction of representation rights applies vis-a-vis third parties.
- 5.2 In case the management board consists of two members, such two management board members may represent the Company jointly in all legal acts. The respective restriction of representation rights applies vis-a-vis third parties.
- 5.3 Procurators appointed by the supervisory board may represent the Company in all legal acts relating to the economic activities of the Company, including court disputes. The scope of authorities of the procurators is established by the supervisory board.
- 5.4 In case of exceeding the scope of authorities provided under the articles of association, the management board members are required to compensate the damages thereby caused to the Company.

6. INTERNAL CONTROL AND AUDITING

- 6.1 The Company is under an obligation to ensure an operational system of internal control.
- 6.2 The auditor(s) is (are) nominated and the number of auditors is decided by the general meeting either to conduct a single audit or for a specified term, also establishing the procedure for remuneration of the auditor(s). The auditor(s) has (have) the rights and obligations stipulated by the law.
 - 6.2.1 If one of the shareholders of the Company is the Republic of Estonia, the auditor appointed by the general meeting performs, once a year, in the course of preparation of the annual report, an audit of the business interests of the members of the supervisory board and management board, abiding by the Anti-corruption Act and the internal rules established by the Company for prevention of corruption risks. The management board provides an overview of the audit results conducted by the auditor on the transactions with related parties to the general meeting together with the audited annual report.
 - 6.2.2 If one of the shareholders of the Company is the Republic of Estonia, the auditor performs, at the request of the Company, also a compliance audit of the balance information submitted on the basis of the law and the instructions on public sector financial accounts and reporting to the requirements of the law and the instructions, preparing a relevant report, which is to be submitted to the State Audit Office.
 - 6.2.3 If the shares of the Company belonging to the Republic of Estonia provide the Republic of Estonia required interest in the Company within the meaning of the State Assets Act, the auditors conducts also, on the request of the Company, a compliance audit of the transactions of the Company with the law within the scope established by the State Audit Office, preparing a relevant report, which is to be submitted to the State Audit Office.
- 6.3 The Company has an internal audit unit. In case of Company decides to renounce such unit, it is required to outsource the internal audit service.
- 6.4 The Company has the right to renounce the internal audit unit without outsourcing the service of the internal auditor if considered economically expedient by the supervisory board. The

respective resolution of the supervisory board must be coordinated with the general meeting prior to its adoption.

7. ACCOUNTING AND DISTRIBUTION OF PROFIT

7.1 Financial year

The Company's financial year is the calendar year.

7.2 Preparation, disclosing and approval of the annual report

7.2.1 The annual report of the Company is prepared and approved according to the rules established by the law. The Company discloses the annual report at time and following the procedure established by the law and in the regulations of the regulated market in which the securities of the Company are quoted or admitted to trading.

7.2.2 The annual report must include, in its contents, a description on compliance of the Company with the Corporate Governance Practices.

7.3 Distribution of profit

7.3.1 Distribution of profit is decided by the general meeting on the basis of an approved annual report, indicating the amount of the profit, the transfers to legal reserve and other reserves, the amount of profit to be paid out to the shareholders and use of the profits for other purposes.

7.3.2 The management board has the right to make advance payments to the shareholders with the consent of the supervisory board after the end of a financial year and before approval of the annual report on account of the presumed profit in the amount of up to one half of the amount subject to distribution among the shareholders.

7.4 Legal reserve

Legal reserve is formed from annual net profit transfers and other transfers entered in the legal reserve pursuant to law or the articles of association. The amount of the legal reserve is 1/10 of the share capital, unless stipulated otherwise by the law. The general meeting decides the amount to be transferred to the legal reserve each financial year. Legal reserve is used to cover losses, unless decided otherwise by the general meeting. Payments may not be made to the shareholders from the legal reserve.

8. MERGER, DIVISION, TRANSFORMATION AND DISSOLUTION

8.1 Merger, division and transformation

Merger, division and transformation of the Company is carried out according to the rules established by the law.

8.2 Dissolution

The liquidators of a Company are members of the management board unless a resolution of the shareholders or a court ruling prescribes otherwise. A court shall appoint the liquidators in a compulsory dissolution or if this is requested by shareholders whose shares represent at least 1/10 of the share capital. The procedure for and amount of remuneration for the liquidators is established by the general meeting or the court. Liquidators may only represent the Company jointly. Liquidators may authorise one or several from among themselves to perform certain transactions or carry out certain acts.

Should there be any contradiction or ambiguity between the Estonian and foreign language texts of the articles of association, the Estonian text shall prevail.