

## **STATUTES OF CITY SERVICE SE**

### **1. BUSINESS NAME AND SEAT**

- 1.1. The business name of the European company (in Latin: *Societas Europaea*) is City Service SE (the “**Company**”).
- 1.2. The Company has its seat in Tallinn, the Republic of Estonia.

### **2. AMOUNT OF SHARE CAPITAL AND PROCEDURE FOR PAYMENT FOR SHARES**

- 2.1. The minimum share capital of the Company is 9,000,000 (nine million) euros, and the maximum share capital is 36,000,000 (thirty-six million) euros. Within the limits of the minimum and maximum share capital, the Company’s share capital can be increased or reduced without amending these Statutes (the “**Statutes**”).
- 2.2. The share capital of the Company is divided into 31,610,000 shares with a nominal value EUR 0.30. A share shall grant the shareholder the right to participate in the general meeting of shareholders and in the distribution of profits and, upon dissolution, of the remaining assets of the public limited company, as well as other rights provided by law or prescribed by the Statutes.
- 2.3. Shares may be paid for by both monetary and non-monetary contributions. Monetary contributions shall be paid into the bank account of the Company. The usual value of a thing or right shall be taken as the basis for the valuation of a non-monetary contribution. The sufficiency of the value of the item of a non-monetary contribution in respect of the nominal value of the share of the shareholder obligated to make the non-monetary contribution shall be determined by the management board if there are no generally recognized experts for valuating the item. In the cases provided by law, the sufficiency of the value of the item of a non-monetary contribution shall be audited by an auditor.
- 2.4. The Company may issue convertible bonds.
- 2.5. The Company is entitled to issue shares at a premium.
- 2.6. The Company may increase share capital from the shareholders’ equity of the Company without making contributions (bonus issue).
- 2.7. The Company shall form a legal reserve of 1/10 (one-tenth) of its share capital to cover a loss and to increase the amount of share capital. Until the foregoing amount is reached, 1/20 (one-twentieth) of the net profit shall be transferred to the legal reserve annually.
- 2.8. The shares shall be registered with the Estonian Central Register of Shares.

### **3. TRANSFER AND ENCUMBRANCE OF SHARES**

- 3.1. Shares may be pledged or otherwise encumbered.
- 3.2. Shares are freely transferable.

#### **4. GOVERNING STRUCTURE OF THE COMPANY**

##### **4.1. The Company shall have the following corporate bodies:**

- 4.1.1. General meeting of shareholders;
- 4.1.2. Management Board;
- 4.1.3. Supervisory Board.

#### **5. GENERAL MEETING OF SHAREHOLDERS**

- 5.1. The general meeting of shareholders shall be called pursuant to the procedure provided by law. An annual general meeting shall be called not later than within 6 (six) months from the end of each financial year.
- 5.2. The general meeting of shareholders shall be held in the country and at the place designated by the management board of the Company in the notice calling a general meeting.
- 5.3. The general meeting of shareholders shall have a quorum if more than one-half of the votes represented by shares are represented at the meeting.
- 5.4. The general meeting of shareholders shall be competent to:
  - 5.4.1. Amend the Statutes;
  - 5.4.2. Increase and reduce share capital;
  - 5.4.3. Issue convertible bonds;
  - 5.4.4. Elect and remove members of the supervisory board;
  - 5.4.5. Decide on conclusion and terms as well as conditions of transactions with the members of the supervisory board, decide on the conduct of legal disputes with the members of supervisory board, and appoint the representative of the Company in such transactions and disputes;
  - 5.4.6. Elect an auditor;
  - 5.4.7. Designate a special audit;
  - 5.4.8. Approve the annual report and distribute profit;
  - 5.4.9. Decide on the dissolution, merger, division or transformation of the Company;
  - 5.4.10. Decide on other matters assigned to the competence of the general meeting by law.
- 5.5. The shareholders may participate in the general meeting and exercise their rights using electronic means without physically attending the general meeting and without appointing a representative if it is possible in a technically secure manner. The ways and procedure of electronic participation in the general meeting (including the moment of time until which it is possible to vote using electronic means prior to the general meeting or during the general meeting) shall be determined by the management board of the Company.
- 5.6. The shareholders may also vote on the draft resolutions prepared in respect to the items of the agenda of a general meeting by submitting their votes to the Company prior to the general meeting in writing, i.e. vote by filling a general ballot paper.
- 5.7. The general ballot paper shall indicate at least:

- 5.7.1. The drafts of all decisions proposed before the day of dispatch of the general ballot paper. The wording of the draft decisions must allow a shareholder to vote either “for” or “against” the decision;
- 5.7.2. Candidates to the supervisory board members, also to the elected auditor or the firms which are candidates to the elected audit firm. The candidates must be presented in the manner which would allow a shareholder to mark the candidate he votes for or the number of votes he gives to each candidate.

The management board of the Company may determine other details of the general ballot paper.

- 5.8. A filled-in general ballot paper must contain the full name and personal number of the shareholder who is a natural person; the name and registration number of the shareholder who is a legal person.
- 5.9. Filled-in general ballot papers shall be signed by a shareholder or another person entitled to vote by the shares held by this shareholder. If the filled-in general ballot paper is signed by the person who is not a shareholder, the document confirming the right to vote must be attached to the filled-in general ballot paper.
- 5.10. The duly completed general ballot paper shall be submitted to the Company by electronic means of communication if the security of the information transmitted is ensured and the identity of the shareholder may be established.
- 5.11. A general ballot paper shall be deemed to be valid and may not be recalled if it meets the requirements laid down in paragraphs 5.8 and 5.9 above and is received by the Company before the general meeting of shareholders. If a general ballot paper does not meet the requirements laid down in paragraphs 5.8 and 5.9 above, a shareholder shall be considered not to have voted in advance.
- 5.12. If a general ballot paper has been filled-in in a manner making it impossible to determine the will of a shareholder on a separate issue, the shareholder shall be considered not to have voted in advance.
- 5.13. The shareholders who take a written vote in advance must be included for counting the quorum of the meeting and voting results. The general ballot papers of the meetings that have not taken place are valid at repeat meetings. A shareholder is not entitled to vote at a general meeting of shareholders for a decision about which he has already expressed his will in advance in writing.
- 5.14. A resolution of the general meeting of shareholders shall be adopted if at least over one-half of the votes represented by shares are in favour unless the law prescribes a greater majority requirement for adopting the resolution.

## **6. MANAGEMENT BOARD**

- 6.1. The management board is a directing body of the Company which represents and directs the Company. Each management board member shall have the rights and obligations laid down in laws, these Statutes, the resolutions of the supervisory board and the contracts concluded between the Company and the management board member.

- 6.2. The management board shall present an overview of the economic activities and economic situation of the Company to the supervisory board at least once every four months and shall immediately give notice of any material deterioration of the economic condition of the Company or of any other material circumstances related to the economic activities of the Company. The management board shall also notify of any circumstances related to the companies connected to the Company, which may significantly affect the operations of the Company.
- 6.3. The management board shall have 1 (one) to 7 (seven) members. The members of the management board are elected for a term of 4 (four) years.
- 6.4. Each member of the management board may represent the Company within the competence prescribed to him under the regulations of the management board and his contract and in compliance with the rule of representation established in Clause 6.5 below.
- 6.5. The Company may be represented in all legal acts by any management board member. The right of a member of the management board to represent the Company may be additionally restricted by a resolution of the supervisory board.
- 6.6. The transactions which are beyond the scope of everyday economic activities and those specified in Clause 7 and/or resolutions of the supervisory board may only be concluded by the management board with the advance consent of the supervisory board.
- 6.7. The chairman of the management board shall be appointed by the supervisory board.
- 6.8. A more specific work organization of the management board shall be approved by the supervisory board by its resolution.
- 6.9. The supervisory board shall decide conclusion of the contracts with the members of the management board, which shall set out more detailed rights and obligations of the members of the management board, remuneration of members and procedure for payment thereof. A member of the management board may be paid remuneration only in accordance with his tasks and the financial situation of the Company. The amount and procedure for payment of the remuneration shall be decided by the supervisory board. For the conclusion of the contracts with the management board member, the Supervisory board shall appoint a representative of the Company.

## **7. SUPERVISORY BOARD**

- 7.1. The supervisory board shall plan the activities of the Company, organise the management of the Company and supervise the activities of the management board.
- 7.2. The prior consent of the supervisory board is required for conclusion of such transactions on behalf of the Company which are beyond the scope of everyday economic activities of the Company and, above all, for adopting the following decisions:
  - 7.2.1. To elect and remove from the office the members of the management board, set their remuneration, other terms of management board member contract, appointment of Company's representative for the conclusion of such contract and approve management board regulations;
  - 7.2.2. To appoint and remove procurators;

- 7.2.3. For the Company to become a founder or a member of other legal entities, to acquire, transfer or dissolve (liquidate) any such entities, as well as decisions to transfer or encumber any shares (parts) or rights assigned thereto held by the Company, to other persons;
  - 7.2.4. To establish or terminate activities of affiliates or representative offices of the Company, approve their regulations;
  - 7.2.5. To transfer, lease or encumber immovables or registered movables of any value;
  - 7.2.6. To offer surety or guarantee of obligations of third parties for any amount;
  - 7.2.7. To acquire long-term assets at any price;
  - 7.2.8. To lend funds or give any other financing by the Company of any amount;
  - 7.2.9. To engage the Company into new business activities or to discontinue any specific activity currently performed;
  - 7.2.10. To approve participation and (or) conclusion of compromise or settlement agreements in any legal proceedings, except for those related to everyday economic activities (recovery of debts initiated by the Company) the amount of claim whereof does not exceed EUR 10,000;
  - 7.2.11. To issue debentures of the Company or other forms of borrowing from any natural or legal persons (regardless of the amount);
  - 7.2.12. To conclude transactions between the Company and the management board members which are beyond the scope of everyday economic activities of the Company or exceed the market price;
  - 7.2.13. To determine which information will be considered the Company's commercial (industrial) secret and confidential information;
  - 7.2.14. To approve operating strategy, annual report, interim report, management structure of the Company, as well as positions of employees, positions to which employees are recruited by holding competitions;
  - 7.2.15. To determine the methods used by the Company to calculate the depreciation of tangible assets and the amortization of intangible assets;
  - 7.2.16. To approve that a member of the management board may sit on the management board or supervisory board of companies other than members of the Company's group;
  - 7.2.17. To assume obligations of joint and several liability with a third party or issue promissory notes;
  - 7.2.18. To enter or cancel any partnerships, joint venture, or other joint corporations, conclude or terminate shareholder agreements or other agreements having the same effects or very alike effects.
- 7.3. The supervisory board shall also approve management board decisions in advance regarding execution of shareholder's rights arising from the shares owned by the Company in its directly controlled subsidiaries, including advance approval of candidates to the management board (or general manager in case of absence of management board) of each such directly controlled subsidiary.
- 7.4. The supervisory board shall also have a right to decide on other issues which are not assigned to the competence of the management board or the general meeting of shareholders pursuant to law or the Statutes.
- 7.5. The supervisory board shall analyse and evaluate documents submitted by the management board of the Company on:
- 7.5.1. The implementation of the operating strategy of the Company;
  - 7.5.2. The organization of the activities of the Company;
  - 7.5.3. The financial status of the Company;

7.5.4. The results of business activities, income and expenditure estimated, stocktaking data, and other accounting date of changes in the assets.

7.6. The supervisory board analyses and assesses the Company's draft of its annual set of financial statement and draft of its profit/loss statement and with annual report of the Company submits them to the general meeting of shareholders.

7.7. The supervisory board analyses and evaluates the project of the decision on dividends for a shorter period of the financial year, its interim financial statements, which together with the Company's interim report are submitted to the general meeting of shareholders.

7.8. The supervisory board shall have 3 (three) to 5 (five) members. The members of the supervisory board are elected for a term of 4 (four) years.

## **8. REPORTING AND DISTRIBUTION OF PROFITS**

8.1. The management board shall organise the accounting of the Company. After the end of each financial year the management board shall prepare an annual report pursuant to the procedure provided by law. Approval of the annual report shall be decided by the shareholders.

8.2. The shareholders shall participate in the distribution of profits in proportion to the nominal value of their shares.

8.3. The management board of the Company is entitled 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.

## **9. FINAL PROVISIONS**

The dissolution, merger or division of the Company or its transformation into a company of a different class shall be carried out pursuant to the procedure provided by law. The members of the management board shall act as liquidators of the Company unless the shareholders decide otherwise.

The Statutes approved on 4 May, 2017.

Tomas Kleiva  
Member of the Management Board

