

**ARTICLES OF ASSOCIATION  
OF THE PUBLIC LIMITED COMPANY  
EESTI VÄÄRTPABERITE KESKDEPOSITOORIUMI AS**

**1. BUSINESS NAME AND LOCATION OF PUBLIC LIMITED COMPANY**

- 1.1. The business name of the public limited company is:  
Eesti Väärtpaberite Keskdepositooriumi Aktsiaselts; abbreviated to  
Eesti Väärtpaberite Keskdepositooriumi AS (hereinafter the “Company”).
- 1.2. The address of the Company is Tallinn, Republic of Estonia.

**2. AREAS OF ACTIVITY OF COMPANY**

- 2.1. The areas of activity of the Company are:
- 2.1.1. the registration of securities issues in a dematerialised form;
  - 2.1.2. the deposition of securities in a dematerialised form;
  - 2.1.3. the registration of securities transactions such as changes in ownership, loans, pledges and other transactions;
  - 2.1.4. information services;
  - 2.1.5. the processing of information necessary for conducting securities transactions; the effecting of netting and final settlements,
- 2.2. The Company may do business in other areas of activity related to securities, insofar as such business complies with the effective legislation.

**3. SHARE CAPITAL, SHARES AND RESERVE CAPITAL**

- 3.1. The minimum share capital of the Company is 1,000,000 (one million) Estonian kroons and the maximum share capital of the Company is 4,000,000 (four million) Estonian kroons within which range the share capital may be increased without amendments to the Articles of Association.
- 3.2. The par value of a share is 10,000 (ten thousand) kroons.
- 3.3. The Company has shares of one type. One share grants one vote at the general meeting of shareholders. The Company has only registered shares. A share register concerning the shares is maintained as required by law.
- 3.4. The shares shall be paid for by monetary contributions. Upon the delay of payment, a shareholder must pay a penalty of 0.1% on the outstanding amount per day.
- 3.5. The Company shall not issue share certificates.
- 3.6. The share capital may be increased or reduced on the basis of a resolution of the general meeting of shareholders pursuant to the effective legislation of the Republic of Estonia.
- 3.7. The Company shall not pay dividends on shares. Operating profit shall be used for the development of the securities market and for the economic activities of the Company.
- 3.8. The share capital of the Company may be reduced on the basis of a resolution of the general meeting of shareholders by a repurchase of shares or by a reduction of the nominal value of shares, either with or without repayment of the reduced amount.
- 3.9. The reserve capital of the Company is 10% of the share capital of the Company. The reserve capital shall be used as resolved by the general meeting of shareholders.

#### **4. ADDITIONAL FINANCIAL RESOURCES**

- 4.1. If the Company is not able to finance its economic activities, additional financial resources shall be involved as follows:
  - 4.1.1. increase of share capital;
  - 4.1.2. bank loans;
  - 4.1.3. bond issue.
- 4.2. The involvement of additional financial resources as prescribed in subparagraphs 4.1.2. and 4.1.3. shall be decided by the supervisory board.

#### **5. GENERAL MEETING**

- 5.1. The general meeting of shareholders is the highest directing body of the Company.
- 5.2. A regular general meeting shall be called once a year at the location of the Company, or at another location as specified by the management board, within six (6) months after the end of the accounting year.
- 5.3. The general meeting shall be called by the management board. Notice of the general meeting shall be provided by registered mail to the address reflecting in the shareholders' list. The information about the general meeting shall be disclosed at least 3 weeks in advance. A shareholder whose shares present at least 1/10 of share capital, may request the inclusion in the agenda of any issue related to the activity of the Company, by submitting the request in writing at least before sending the notices to investors.
- 5.4. An extraordinary general meeting shall be called within not more than two weeks if demanded by the supervisory board or the shareholders of the Company who own at least one-tenth of the share capital. The same applies if the net assets of the Company are less than one-half of the share capital or less than the minimum share capital prescribed by law.
- 5.5. Notice of an extraordinary general meeting shall be provided not less than one (1) week in advance.
- 5.6. The general meeting shall be competent:
  - 5.6.1. to amend and improve the articles of association;
  - 5.6.2. to adopt the annual report and the profit distribution resolution;
  - 5.6.3. to determine the actions necessary to be taken on the basis of the profit or loss indicated on the adopted balance sheet;
  - 5.6.4. to decide on the increase or reduction of the share capital;
  - 5.6.5. to prescribe the number and remuneration of supervisory board members and auditors;
  - 5.6.6. to decide on the release of the management board and supervisory board members from liability;
  - 5.6.7. to elect members of the supervisory board;
  - 5.6.8. to elect an auditor;
  - 5.6.9. to decide on the transformation or liquidation of the Company.
- 5.7. The general meeting is competent to resolve issues placed in its competence by law or issues the resolving of which is demanded by the management board or supervisory board.
- 5.8. A general meeting has a quorum if more than one-half of the votes represented by shares are present. If the required number of votes is not represented at the general meeting, the general meeting shall be called again within 15 days. A

general meeting called for the second time with the same agenda is competent to adopt resolutions regardless of the number of votes represented.

- 5.9. Resolutions of the general meeting shall be adopted with a simple majority of votes.
- 5.10. Resolutions on amendment of the articles of association, reduction and increase of share capital and liquidation of the Company shall be adopted if at least two-thirds of the votes represented at the general meeting are in favour.
- 5.11. A representative of a shareholder may represent the shareholder at the general meeting on the basis of a power of attorney.

## **6. MANAGEMENT BOARD**

- 6.1. The management board shall direct and represent the Company.
- 6.2. The management board shall have between two (1) and five (5) members.
- 6.3. The management board shall be elected by the supervisory board for a term of three years. The supervisory board shall appoint new chairman of the management board from amongst members of the management board.
- 6.4. The Company is represented by the management board. Its right of representation may be restricted by a resolution of the supervisory board.
- 6.5. Competence of management board:
  - 6.5.1. to decide on issues related to the everyday business activities of the Company in accordance with the orders and resolution of the supervisory board;
  - 6.5.2. to organise the accounting of the Company;
  - 6.5.3. to call general meetings and prepare issues for discussion at the general meetings;
  - 6.5.4. to conclude annual report, auditors report and the proposal for profit distribution resolution to present to the general meeting;
  - 6.5.5. to decide on all other issues placed in its competence by law or with resolutions of the general meeting or supervisory board.
- 6.6. The management may conclude transactions which are beyond the scope of everyday business activities only where duly authorised by the supervisory board, or where waiting for the resolution of the supervisory board may cause material loss to the activities of the Company. In the latter case, notice of such transactions shall be given to the supervisory board as soon as possible.

## **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 supervisory board shall have between three (3) and seven (7) members. A member of the supervisory board need not be a shareholder of the Company. The members of the supervisory board shall elect a chairman from among themselves. The general meeting shall elect the members of the supervisory board for a term of three years.
- 7.3. The supervisory board shall be competent:
  - 7.3.1. to elect and remove members of the management board;
  - 7.3.2. to give orders to the management board in organising the management of the Company;
  - 7.3.3. to approve amendments to the rules;
  - 7.3.4. to authorise the management board to conclude the following transactions beyond the scope of everyday business activities:

- 7.3.4.1. the acquisition or termination of participation in other undertakings;
  - 7.3.4.2. the acquisition or disposal of an enterprise;
  - 7.3.4.3. the disposal or encumbrance of immovables or registered movables;
  - 7.3.4.4. other transactions beyond the scope of everyday business activities.
- 7.3.5. To decide other issues given to the competence of supervisory board by the law and rules.
- 7.4. Meetings of the supervisory board shall be held when necessary but not less frequently than once every three months. A meeting shall be called by the chairman or by a member of the supervisory board substituting for the chairman.
- 7.5. A meeting of the supervisory board shall be called if this is demanded by a member of the supervisory board, the management board, an auditor or shareholders whose shares represent at least one-tenth of the share capital.
- 7.6. The supervisory board has a quorum if more than one-half of the members of the supervisory board are present.
- 7.7. A resolution of the supervisory board shall be adopted if more than one-half of the members of the supervisory board who participated in the meeting vote in favour.
- 7.8. The supervisory board may adopt resolutions without calling a meeting, if all members of the supervisory board consent to it.

## **8. FINANCIAL YEAR**

- 8.1. The financial year of the of Company is the calendar year from 1 January to 31 December.
- 8.2. After the end of financial year the management board shall compile the annual report and management report and shall present them to the auditor in order to make auditor's report. Annual account, management report, proposal for profit distribution resolution and auditors report (annual report) shall be presented to the supervisory board and for adoption to the shareholders' general meeting.

## **9. AUDIT**

- 9.1. The annual accounts and the accounting of the Company shall be audited by an auditor.
- 9.2. The general meeting shall elect an auditor for a term of one year until the end of the next regular general meeting.

## **10. RIGHT OF PRE-EMPTION TO SHARES**

- 10.1. Upon the transfer of shares to the third parties, the shareholders of the Company have the pre-emption right to the shares, in accordance with the number of shares in the possession of the shareholders.
- 10.2. A shareholder who wishes to sell his or her shares must present the sales agreement or a copy of sales agreement to the management board immediately after conclusion of respective agreement.
- 10.3. The management board shall notify the shareholders of the intention to sell the shares within one (1) week from the receipt of a respective sales agreement. The notice of the management board (notice of disposal) shall include information of material terms of the sales agreement (the sales price, number of shares to be sold, the terms of payment, the counterparts of the agreement).

- 10.4. If more than one shareholder wishes to exercise the pre-emption right to the shares, the supervisory board shall divide the shares between such shareholders in proportion with the number of shares held by them. Where any shares are left over after such division, the division of the remaining shares shall be decided by making a draw between the shareholders who wish to purchase the shares.
- 10.5. The shareholders may notify the management board in writing of their wish to purchase shares within two (2) weeks after the management board's notice of the disposal of shares.
- 10.6. The management board shall notify the seller of shares within one week from the deadline for submitting purchase notices, whether any of the shareholders of the Company wishes to exercise his or her pre-emption right to the shares.

**11. MERGER, DIVISION, TRANSFORMATION AND DISSOLUTION OF COMPANY**

- 11.1. The Company shall be dissolved:
- 11.1.1. by a resolution of the general meeting;
  - 11.1.2. by a court order;
  - 11.1.3. if the net assets of the Company are less than half of the share capital or the minimum share capital established by law, and the general meeting does not adopt a resolution to reduce the share capital or to merge, divide or transform the Company;
  - 11.1.4. on other bases prescribed by law.

The Articles of Association were amended and the current text thereof ratified by Resolution No 1 of the extraordinary general meeting of shareholders, dated 2 September 1999.