

Remuneration principles of the supervisory board and the management board of AS Tallinna Sadam

The principles of remuneration of the supervisory board and the management board of AS Tallinna Sadam (hereinafter referred to as Tallinna Sadam) regulate the remuneration of the members of the supervisory board and the management board and rely on the State Assets Act, the Commercial Code and the Securities Market Act.

1 Remuneration of the supervisory board

- 1.1 The amount of the remuneration of a member of the supervisory board shall be established by the general meeting, based on a proposal of the nomination committee. The members of the supervisory board are paid equal remuneration. A higher remuneration may be determined for the chairman of the supervisory board. An additional remuneration may be set for a member of the supervisory board in relation to his or her participation in the activities of the audit committee or any other body of the supervisory board.
- 1.2 Upon the establishment of the procedure for remuneration, the amount of fees and other benefits to the member of the supervisory board, it shall be guaranteed that the total amount of payments to the member of the supervisory board is reasonable in correspondence with the duties of the member of the supervisory board and the economic situation of Tallinna Sadam, i.e.:
 - 1.2.1 Members of the supervisory board are remunerated once a month and upon the disbursement, their attendance in the meetings of the supervisory board and the activities of its bodies are taken into account, i.e. the member of the supervisory board is not remunerated for the month in which he or she did not attend the decision-making.
 - 1.2.2 The member of the supervisory board shall be paid an additional remuneration for the month of attendance in the meeting of the audit committee or other body of the supervisory board. The monthly remuneration may not exceed 25% of the remuneration of a member of the supervisory board established by a decision of the general meeting of the company.
 - 1.2.3 The total monthly remuneration of a member of the supervisory board for attendance in the activities of the audit committee and other bodies of the supervisory board may not exceed 50% of the remuneration of the member of the supervisory board set forth by a decision of the general meeting.
 - 1.2.4 1.2.4 The chairman of the audit committee and another body of the supervisory board may be set a remuneration of 50% higher than provided for in Clauses 1.2.2 and 1.2.3.
- 1.3 Any severance payments or other bonuses shall not be paid to members of the supervisory board, except for the fee specified in Clauses 1.2.2 to 1.2.4.

2 Remuneration of the members of the management board

- 2.1 2.1 The amount and the procedure for payment of remuneration to be paid to the member of the management board shall be determined by a decision of the supervisory board based on the proposal of the remuneration committee. The basis for establishing the amount of remuneration of a member of the management board is their level of responsibility, scope of

their duties, professional skills, experience and the level of education connected to the activities and achievement of goals of Tallinna Sadam.

- 2.2 The supervisory board undertakes to ensure that upon determining the procedure for the remuneration and the amount of the fees and other benefits (for example, premiums, bonuses) and when concluding a contract with the member of the management board, the total amount to be disbursed to the member of the management board by the company would reflect to a reasonable extent the duties of the member of the management board and the economic situation of Tallinna Sadam.
- 2.3 The member of the management board may only be remunerated on the basis of the contract of a member of the management board concluded with him or her.
- 2.4 An additional remuneration may be paid to the member of the management board in view of his or her performance (performance-related bonus). The grounds for establishing the additional remuneration (incl. the period for which the additional remuneration is paid) and the amount of the additional remuneration must be objective and justified, taking into account meeting the targets set for Tallinna Sadam and the added value created by Tallinna Sadam and market position. The total amount of the additional remuneration paid during the financial year may not exceed four times the average monthly remuneration paid to the member of the management board in the previous financial year which shall be calculated by not considering the additional remuneration referred to in the first sentence of this Clause disbursed during the previous financial year.
- 2.5 Under the management board member agreement, it may be agreed with the member of the management board to be provided additional benefits, including paid leave, compensation for a company car or a personal car, trainings, use of means of communication, etc.
- 2.6 A severance payment may be paid to a member of the management board exclusively if he or she is dismissed without a good reason at the initiative of the supervisory board prior to the expiry of his or her term of office (i.e. no compensation shall be paid to a member of the management board in the event of a breach of obligations). The severance payment may be paid in the amount of up to three months' remuneration applicable at the time of dismissal of the member of the management board.
- 2.7 Based on the decision of the supervisory board, the member of the management board may be paid a monthly compensation of 50% of the monthly remuneration of the member of the management board valid at the end of his or her term of office for the performance of the non-compete obligation within 12 months at the end of the term of office of the member of the management board.
- 2.8 Due to the restriction set forth in the State Assets Act, Tallinna Sadam does not have any long-term bonus systems and the existing short-term bonus system is not connected to the shares of Tallinna Sadam.
- 2.9 The members of the management board are not remunerated for their participation in the work of the supervisory boards of the subsidiaries and associates of the Group.

3 Implementation and modification of the remuneration principles

- 3.1 The general meeting shall vote on the remuneration principles at least once every four years. Significant amendments of the remuneration principles shall be submitted to the general meeting for voting each time. Remuneration principles are considered approved if they have gained more than half of the votes represented at the general meeting. The decision of the general meeting on the approval of the remuneration principles of the management board is optional to the supervisory board.

- 3.2 Remuneration of the management board and compliance with the remuneration principles are supervised by the supervisory board.
- 3.3 Remuneration paid to the members of the management board in compliance with the remuneration policies is reviewed on an annual basis in the remuneration report which is submitted to the general meeting for voting as an annex to the audited annual report.
- 3.4 An overview of the remuneration disbursed to the members of the supervisory board and their attendance in the meetings is provided in the annual report.