

**Report of AS Tallinna Sadam supervisory board
on the Group annual report 2021 of AS Tallinna Sadam
and on the activities of the supervisory board**

The supervisory board has reviewed and approves the Group annual report for the financial year ended 31 December 2021, which was prepared and presented by the management board of AS Tallinna Sadam, consisting of the management report, remuneration report and the financial statements, accompanied by the independent auditor's report.

At 31 December 2021, the composition of the supervisory board was as follows: Aare Tark (chairman), Urmas Kaarlep, Üllar Jaaksoo, Ahti Kuningas, Raigo Uukkivi, Maarika Honkoken, Riho Unt and Veiko Sepp. The members that meet the definition of independence as provided in the annex to the CGC are Aare Tark, Urmas Kaarlep, Üllar Jaaksoo, Maarika Honkoken, Riho Unt and Veiko Sepp. In 2021, there were no changes in the composition or remuneration of the supervisory board.

In 2021, the supervisory board held 8 meetings (2020: 10 meetings). Participation of the members of the supervisory board in the meetings and the remuneration paid to them for the work as a member of the supervisory board is presented in section 7.2 of the management report in the annual report.

At the meetings of the supervisory board, the management board of AS Tallinna Sadam regularly presented the Group's current financial results, informed the supervisory board of material developments in the Group's business fields compared to the previous meeting, gave updates on the achievement of 2021 targets and of the competitive position compared to other ports of the Baltic Sea.

The supervisory board regularly reviews and approves the Group's long-term strategy, annual operational targets and budget, approves the work plan and reviews the work results of the internal audit department and its most important findings, reviews the Group's most significant risks and their management and mitigation activities; and the results of the carried-out development projects compared to the planned.

The supervisory board participates in making material decisions concerning the Group's activities, such as signing material customer agreements, changing substantial contractual terms, making investment decisions, raising loan capital, sale of assets etc.

In 2021, the material decisions made by the supervisory board were following:

- amendment of the Group strategy
- deciding on several issues related to the use of infrastructure and other assets and the terms of customer agreements, including Extension of the term of the reservation agreement concluded with AS Liwathon E.O.S. for the construction of an LNG terminal in Muuga Harbor
- changing the terms and extending the due date of the loan agreements signed with SEB
- prolonging the agreement with the external auditor KPMG Baltics OÜ
- foundation of the remuneration committee and approval of the rules of procedure
- assessing the fulfillment of the 2020 targets set for the management board and setting the 2022 targets.
- extending the term of office of the management board member Margus Vihman and recalling Marko Raid from his position.

The possibilities of further development of the passenger ferry business (TS Laevad OÜ) were also discussed at the meetings of the supervisory board, including the acquisition of the sixth ferry and electrification of the existing fleet, which has not been realized due to the lack of an order and guarantees from the Estonian state.

The audit committee, acting as an advisory body to the supervisory board, held 7 meetings in 2021 (2020: 8 meetings). Participation of the members of the audit committee in the meetings and the remuneration paid to them for the work as a member of the audit committee is presented in section 7.3 of the management report section in the annual report.

At the meetings of the audit committee, the observations made as a result of the audits of the internal audit department and recommendations for the improvement of the Group's risk management and internal control system were discussed. The committee's meetings also addressed issues related to the Group's information security. In addition, topics related to the approval and amendment of the Group's budget were on the agenda of the 2021 meetings of the audit committee. The committee has also monitored the process and results of the audit of the Group's financial statements and met with external auditors, including monitoring the independence of the external auditor and the compliance of its activities with the requirements of the Auditing Act.

The audit committee has provided an ongoing overview of its activities at each meeting of the supervisory board.

In October 2021, the supervisory board set up a remuneration committee, which has the following main responsibilities:

- determining the competency profile of the management board based on the company's strategy
- developing and updating the remuneration policy for the members of the management board and monitoring compliance with the policy
- submitting proposals to the supervisory board for the election and remuneration of the members of the management board.

The committee consists of at least three members who are appointed from among the members of the supervisory board for a term of up to three years. One of the members is the chairman of the supervisory board. In 2021, the members of the remuneration committee were Aare Tark (chairman), Ahti Kuningas, Üllar Jaaksoo and Veiko Sepp. In the reporting period, the remuneration committee had 2 meetings where the main agenda item was the election of a member of the management board/CFO. All members participated in all meetings of the committee. The rates of the remuneration are the same as for the audit committee and are based on a resolution adopted by the then sole shareholder on 24 November 2011.

In the opinion of the supervisory board, the cooperation with the management board of AS Tallinna Sadam has been very good and constructive.

(signed digitally)

Aare Tark

Maarika Honkonen

Üllar Jaaksoo

Urmas Kaarlep

Ahti Kuningas

Riho Unt

Raigo Uukkivi

Veiko Sepp