

**Report of AS Tallinna Sadam supervisory board  
on the Group annual report 2022 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 2022, 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 2022, the composition of the supervisory board was as follows: Riho Unt (chairman), Marek Helm, Maarika Honkonen, Kaur Kajak, Risto Mäeots, Veiko Sepp and Ain Tatter. The members that meet the definition of independence as provided in the annex to the CGC are Riho Unt, Marek Helm, Maarika Honkonen, Risto Mäeots, Veiko Sepp. The term of office of all members of the supervisory board lasts until 30 June 2025. Until 30 June 2022, the composition of the supervisory board was as follows: Aare Tark (chairman), Maarika Honkonen, Üllar Jaaksoo, Urmas Kaarlep, Ahti Kuningas, Veiko Sepp, Riho Unt and Raigo Uukkivi.

On 25 April 2022, the general meeting approved [the remuneration principles of the supervisory board and the management board](#), which also increased the fee for participating in the activities of the audit committee or other supervisory board body, which is 25% of the remuneration of a member of the supervisory board, 1.5 times the fee rate for the chairman (EUR 250 for a member and EUR 375 for the chairman). The remuneration rate of the supervisory board member was not changed.

In 2022, the supervisory board held 13 meetings (2021: 8 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 and impacts in the Group's business fields (including in connection with the Russian-Ukrainian war and sanctions), gave updates on the achievement of 2022 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, recommendations and the process of their implementation; 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.

2022 was once again a year of crisis management for the supervisory board, as the Russian aggression against Ukraine that started in February 2022 also led to the supervisory board working with a crisis management schedule in the spring of 2022, where the supervisory board monitored and analyzed the effects of the war on the Group's operations. In addition, more focused attention was paid to the

compliance of the Group and business partners with sanctions and the resolution of side effects resulting from sanctions.

In September 2022, a joint strategy meeting of the supervisory board and management took place, where the long-term ambitions of Tallinna Sadam were agreed upon and the Group's strategy for the next three years was developed.

Starting from the second half of the year, the supervisory board started with a theme-based review of the Group's areas and business units. In 2022, TS Laevad OÜ business and the HR strategy and activities of the Group were under more in-depth discussion in the supervisory board. Thematic insights into the Group's activities will continue in 2023.

In 2022, the material decisions made by the supervisory board were following:

- amendment of the Group strategy for period 2023-2027
- confirmation of the terms of the compromise concluded with AS Tallink Grupp in the litigation regarding the fees for port services offered to passenger ships in the Old City Harbour;
- correction of the group's performance goals in connection with European Union sanctions on Russian goods;
- investment decision to build quay 6A in Paldiski South Harbour;
- investment decision for the reconstruction of Old City Harbour quay no 21;
- appointing the members of the audit committee and remuneration committee;
- deciding on a number of issues related to the use of infrastructure and other assets and the terms of customer contracts, including setting the building right of the Laeva 5 property in Old City Harbour and reducing the scope of the building right of the Õli 1 and Õli 3 properties;
- evaluating the fulfillment of the goals set for the management board for 2021, changing the remuneration of the management board and setting the goals for 2022 and 2023; confirmation of the powers of management board member Andrus Ait;
- evaluation of the 2022 audit plan and approval of the 2023 risk based audit plan.

Among other things, supervisory board monitors the effectiveness of the group's risk management and internal control system. For example, in 2022, the internal audit unit conducted 7 audits across different areas. Based on both internal and external audits (including safety and security of ships and ports, cyber security, financial audits), the group's internal control system has been assessed as sufficient in a significant part.

The audit committee, acting as an advisory body to the supervisory board, held 5 meetings in 2022 (2021: 7 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 in 2022 also addressed issues related to approval and amendment of the Group's budget. The committee has also monitored the process and results of the external audit of the Group's annual report and met with external auditors, including the audit committee has monitored the independence of the external auditor and compliance of the activities with the requirements of the Act on Auditor Activities. The conditions for organizing the procurement of a new audit service were also discussed, as the current service contract with an external auditor for auditing annual reports will end after the audit of the 2022 financial year report.

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

The remuneration committee, acting as an advisory body of the supervisory board, held 4 meetings in 2022 (2021: 2 meetings) where the main topics were the election of a member of the management board/CFO, the development of the remuneration policy for the members of the supervisory board and the management board and changes to the performance-related remuneration system of the members of the management board. The participation of members of the remuneration committee in meetings and the fees paid to them for the work of the committee are presented in section 7.3 of the management report of the annual report.

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)

Riho Unt

Marek Helm

Maarika Honkonen

Kaur Kajak

Risto Mäeots

Veiko Sepp

Ain Tatter