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MERLE SAAR-JOHANSON, NOTARY IN AND FOR TALLINN

NOTARY'S OFFICIAL PROCEDURES BOOK
REGISTRY NO.

1236

COMMON DRAFT TERMS OF CROSS-BORDER MERGER

This notarial deed has been prepared and attested by Merle Saar-Johanson, notary in and for Tallinn, in the notary's office located at Rävala pst 3 / Kuke St. 2, Tallinn on the nineteenth of May two thousand and fifteen (19.05.2015) and the parties to this notarial deed are:

City Service EU AS, a public limited liability company entered into the commercial register of the Republic of Estonia, registry code 12827710, registered office Juhan Kunderi St. 8A, Tallinn, 10121, Republic of Estonia, e-mail address info@cityservice.eu, hereinafter referred to as the **Acquiring Company**, represented under a power of attorney by **Aidi Kallavus**, personal identification code 48011100275, who is personally known to the attester of the deed,

and

Akcinė bendrovė "City Service", a public limited liability company, entered into the register of legal persons of the Republic of Lithuania, registry code 123905633, registered office Konstitucijos Av. 7, Vilnius, 09308, Republic of Lithuania, e-mail address info@cityservice.lt, hereinafter referred to as the **Company Being Acquired**, represented under a power of attorney by **Aidi Kallavus**, personal identification code 48011100275, who is personally known to the attester of the deed,

the Acquiring Company and the Company Being Acquired shall hereinafter be together referred to as the **Merging Companies**,

The attester of the notarial deed has explained to the parties that since the Company Being Acquired is a foreign legal entity, a need for foreign law to be applied upon concluding or performing the common draft terms of cross-border merger might arise but the attester of the notarial deed cannot and does not have to provide explanations as to the contents of foreign law. The attester of the notarial deed also informed the representative of the parties that since the notarial deed is not in her native language the representative of the parties has the right to request a written translation of the notarial deed but the representative of the parties waived exercise of this right.

The parties hereby enter into these common draft terms of cross-border merger (hereinafter referred to as the Merger Terms) as follows:

1. MERGING COMPANIES

1.1. The Acquiring Company

1.1.1. The representative of the Acquiring Company represents and warrants that:

1.1.1.1. The Acquiring Company is a public limited liability company City Service EU AS, entered into the commercial register of the Republic of Estonia, registry code 12827710, registered office Juhan Kunderi St. 8A, Tallinn, 10121, Republic of Estonia, with the share capital in the amount of EUR 25,000, which is divided into 250,000 shares with the nominal value of EUR 0.1 each. The shares are fully paid. According to the list of shareholders of the Acquiring Company the sole shareholder of the Acquiring Company is the Company Being Acquired.

1.1.1.2. Her powers as a representative of the Acquiring Company are valid, have not been cancelled by the Acquiring Company and she has all necessary internal consents of the legal person represented and all rights to enter into these Merger Terms.

1.2. The Company Being Acquired

1.2.1. The representative of the Company Being Acquired represents and warrants that:

1.2.1.1. The Company Being Acquired is a public limited liability company Akcinė bendrovė "City Service", entered into the register of legal persons of the Republic of Lithuania, registry code 123905633, registered office Konstitucijos Av. 7, Vilnius, 09308, Republic of Lithuania, with the share capital in the amount of EUR 9,166,900, which is divided into 31,610,000 ordinary registered shares with the nominal value of EUR 0.29 each. The shares are fully paid. The shares of the Company Being Acquired are admitted to trading on the regulated market AB NASDAQ OMX Vilnius.

1.2.1.2. Her powers as a representative of the Company Being Acquired are valid, have not been cancelled by the Company Being Acquired and she has all necessary internal consents of the legal person represented and all rights to enter into these Merger Terms.

2. MANNER OF THE MERGER

2.1. The Company Being Acquired shall merge with the Acquiring Company (hereinafter referred to as the **Merger**) on the terms set forth in these Merger Terms in the manner provided for in Article 2(2)(a) of the Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies (hereinafter referred to as the **Directive**) (as amended) (merger by way of acquisition), as transposed into national laws, respectively, by Article 2(5)(1) of the Law No. X-1367 (hereinafter referred to as the **Lithuanian Merger Law**) on Cross-Border Merger of Limited Liability Companies of the Republic of Lithuania, dated 13 December 2007 (as amended), and Article 391(1) of the Commercial Code of the Republic of Estonia (hereinafter referred to as the **Estonian Commercial Code**), dated 1 September 1995 (as amended).

2.2. The Company Being Acquired shall be merged into the Acquiring Company which shall take over all assets, rights and liabilities of the Company Being Acquired. The Company Being Acquired shall be dissolved without going into liquidation and the Acquiring Company shall continue the activities following the completion of the Merger and shall be the legal successor of the Company Being Acquired, i.e. the company resulting from the Merger.

2.3. Requirements of legal acts of the jurisdictions of the Merging Companies shall be followed to ensure the protection of rights of creditors, shareholders as well as employees in the process

of adoption of corporate decisions concerning the Merger by the governing bodies of the Merging Companies.

2.4. The Articles of Association of the Acquiring Company have been appended to the Merger Terms as appendix 2.

2.5. The Merger shall be carried out pursuant to Articles 41(1), 41(2)(1) and 41(3) of the Law No. IX-675 on Corporate Income Tax of the Republic of Lithuania, dated 20 December 2001 (as amended), as a consequence whereof it shall be subject to the provisions of Article 42 of this law, according whereto when the Company Being Acquired transfers assets, rights and liabilities to the Acquiring Company, the increase in the value of assets shall not be treated as income of the Company Being Acquired. The Merger shall also be subject to the provisions of Article 2(14)(7) of the Law No. IX-1007 on Income Tax of Individuals of the Republic of Lithuania, dated 2 July 2002 (as amended), according whereto the difference in asset value occurring in case of the Merger, when the shares are acquired exchanging the shares of the Company Being Acquired for the shares of the Acquiring Company, except in cases where the difference in share prices is paid in cash, shall not be considered as the income of the shareholders of the Company Being Acquired. Pursuant to Articles 31(1)(9) and 15(4)(9) and (10) of the Income Tax Law of the Republic of Estonia, dated 15 December 1999 (as amended), no income tax becomes chargeable on the income derived by the shareholders of the Company Being Acquired from the exchange of shares in the course of the Merger of or income from the acquisition of shares in the Acquiring Company by way of a non-monetary contribution. Without prejudice to application of any of the provisions of the said laws, following the Merger, the Acquiring Company shall continue its activities on the basis of the assets, rights and liabilities passed to the Acquiring Company from the Company Being Acquired through its permanent establishment in the territory of the Republic of Lithuania. Exact allocation of the assets, rights and liabilities of the Acquiring Company between its registered seat in the Republic of Estonia and permanent establishment in the territory of the Republic of Lithuania will be decided by the appropriate governing body of the Acquiring Company.

2.6. The Merger shall be considered completed and shall take effect as of the moment of registration of the Articles of Association of the Acquiring Company and as of the entry of the Merger on the registry card of the Acquiring Company resulting from the Merger with the commercial register of the Republic of Estonia (hereinafter referred to as the **Merger Date**).

3. SHARE-EXCHANGE RATIO AND TERMS FOR ALLOTMENT OF SHARES

3.1. Principles of Establishment of Share-Exchange Ratio

3.1.1. The share exchange ratio of the Merging Companies shall be established taking into consideration the following:

3.1.1.1. Prior to the Merger all 250,000 shares of EUR 0.1 nominal value each, i.e. 100 per cent of all the shares of the Acquiring Company belong to the Company Being Acquired;

3.1.1.2. On the Merger Date all the shareholders of the Company Being Acquired shall become the shareholders of the Acquiring Company directly holding 100 per cent of all votes and shares in the Acquiring Company;

3.1.1.3. On the Merger Date each shareholder of the Company Being Acquired shall hold the same number of shares in the Acquiring Company that it had held in the Company Being Acquired up to and until the Merger Date;

3.1.1.4. Upon the Merger the shareholders of the Company Being Acquired shall decide to increase its share capital from the own funds of the Company Being Acquired, i.e. from the share premium. The share capital of the Company Being Acquired shall be increased by EUR 316,100 by increasing the nominal value of already issued each ordinary registered share of the Company Being Acquired by EUR 0.01, i.e. up to EUR 0.3. Prior to the Merger

Date this increased share capital shall be registered with the register of legal persons of the Republic of Lithuania, therefore, on the Merger Date the registered share capital of the Company Being Acquired shall be equal to EUR 9,483,000, which shall be divided into 31,610,000 ordinary registered shares with the nominal value of EUR 0.3 each.

3.2. Share-Exchange Ratio and Allotment of Shares

3.2.1. Considering the provisions of Clause 3.1 above, on the Merger Date:

3.2.1.1. All 250,000 shares of the Acquiring Company of EUR 0.1 nominal value each are being annulled;

3.2.1.2. The share capital of the Acquiring Company is being increased by and up to EUR 9,483,000, whereas 31,610,000 new shares of EUR 0.3 nominal value each are being issued to the shareholders of the Company Being Acquired (the nominal value of 1 share of the Acquiring Company is being changed from EUR 0.1 into EUR 0.3);

3.2.1.3. All 31,610,000 ordinary registered shares of the Company Being Acquired of EUR 0.3 nominal value each are being exchanged to the newly issued shares of the Acquiring Company of the nominal value of EUR 0.3 each **under the proportion 1:1**, i.e. each shareholder of the Company Being Acquired is issued, allotted and given 1 newly issued share of the Acquiring Company of EUR 0.3 nominal value each for 1 ordinary registered share of the Company Being Acquired of EUR 0.3 nominal value each. In total, all 31,610,000 ordinary registered shares of the Company Being Acquired shall be exchanged for 31,610,000 newly issued shares of the Acquiring Company.

3.2.1.4. The shareholders of the Company Being Acquired shall be entitled to any profits / loss of the Acquiring Company as of the Merger Date. No special conditions shall affect that entitlement.

3.2.2. All newly issued shares of the Acquiring Company shall be considered as fully paid by making non-monetary contribution to the Acquiring Company by transfer of assets of the Company Being Acquired to the Acquiring Company upon the Merger.

3.2.3. Whereas no difference in the price of shares occurs upon the share exchange, no monetary payments shall be made to the shareholders.

3.2.4. Merging Companies have not issued any shares with special rights or other securities than shares. The Merging Companies do not have shareholders having any special rights.

4. TRANSFER OF ASSETS AND LIABILITIES; EVALUATION OF THE ASSETS AND LIABILITIES

4.1. The Merging Companies agree on transfer of all the assets, rights and liabilities of the Company Being Acquired to the Acquiring Company. All the assets, rights and liabilities of the Company Being Acquired shall be transferred to the Acquiring Company on the Merger Date.

4.2. The value of the assets, rights and liabilities of the Company Being Acquired on the Merger Date shall be determined and measured on the basis of the accounting data of the Company Being Acquired and assets, rights and liabilities of the Company Being Acquired so determined as on the Merger Date will be deemed to be the value of the assets, rights and liabilities transferred to the Acquiring Company.

4.3. The value of the assets, rights and liabilities of the Company Being Acquired is determined at the balance sheet value thereof as at 31 December 2014.

4.4. The transactions of the Merging Companies shall be treated for accounting purposes as being those of the Acquiring Company and shall be reflected in the financial documents of the Acquiring Company from the Merger Date, except that within the meaning of Article 392(1)7) of the Estonian Commercial Code the Merger balance sheet date is 1 January 2015.

4.5. The Merging Companies shall sign a transfer-acceptance deed to list the assets, rights and liabilities on the Merger Date.

5. FORM, NAME, REGISTERED OFFICE AND GOVERNANCE STRUCTURE OF THE ACQUIRING COMPANY RESULTING FROM THE MERGER

5.1. Following the completion of the Merger, the Acquiring Company shall continue its activities as a public limited liability company under the business name **City Service AS**.

5.2. The registered office of the Acquiring Company shall be Juhan Kunderi St. 8A, Tallinn, 10121, Republic of Estonia.

5.3. The share capital of the Acquiring Company shall be EUR 9,483,000 and it shall be divided into 31,610,000 shares EUR 0.3 nominal value of each.

5.4. The governance structure of the Acquiring Company shall remain the same as is established in the Company Being Acquired prior to the Merger, save for mandatory Estonian law requirements:

5.4.1. General Meeting of Shareholders;

5.4.2. Management Board consisting of 1 Board member elected for a term of 4 years;

5.4.3. Supervisory Board consisting of 3 to 5 members elected for a term of 4 years.

5.5. The Management Board of the Acquiring Company shall be a sole governing body who is responsible for organization, management and supervision of day-to-day activities of the Acquiring Company, whereas the Supervisory Board shall plan the activities of the Acquiring Company, organize the management of the company and supervise the activities of the Management Board.

6. APPOINTMENT AND REMUNERATION OF INDEPENDENT EXPERT

6.1. The Merging Companies shall make a joint petition to the Register of Legal Persons of the Republic of Lithuania to appoint independent expert (an auditor) to examine the Merger Terms. The work of the expert will be remunerated in accordance with an agreement to be concluded with the expert.

7. RIGHTS OF THE MEMBERS OF THE GOVERNING BODIES AND EXPERT

7.1. No special advantages and rights are conferred to the expert or the members of the administrative, management, supervisory or controlling organs of the Merging Companies.

7.2. Powers of the governing bodies of the Company Being Acquired shall be valid until the Merger Date. However, the governance structure shall remain the same, as provided in Clause 5.4 and 5.5 hereinabove.

8. LIKELY REPERCUSSIONS OF THE MERGER ON EMPLOYMENT AND INVOLVEMENT OF EMPLOYEES

8.1. As of the date of signing of the Merger Terms, the number of employees in the Company Being Acquired is 68. There are no employees in the Acquiring Company.

8.2. The Merger will not have any direct repercussions on employment in the Company Being Acquired. All the rights and obligations arising from the employment contracts concluded with the employees of the Company Being Acquired will be sustained and the employment contracts concluded with the employees of the Company Being Acquired will be transferred to the Acquiring Company on the Merger Date.

8.3. Pursuant to Article 433^1 of the Estonian Commercial Code and to Article 41^2 of the Community-scale Involvement of Employees Act of the Republic of Estonia there is no

requisite according to the Estonian laws for the employees of the Acquiring Company to be involved in the management of the Acquiring Company during the Merger.

8.4. The shareholders of the Merging Companies have not at the date of these Merger Terms reserved or claimed the right to make implementation of the Merger conditional upon express ratification by it of the arrangements decided on with respect to the participation of employees in the Acquiring Company resulting from the Merger, as provided in Article (9)(2) of the Directive and accordingly in Article (7)(4) of the Lithuanian Merger Law.

8.5. Pursuant to Article (3)(1)(11) of the Lithuanian Merger Law there is no necessity to establish conditions for the procedures by which arrangements for the involvement of employees in the definitions of their rights to participation in the Acquiring Company are determined.

9. TERMS AND PROCEDURES OF MERGER

9.1. All the procedures in the process of Merger shall be conducted as provided and during the terms stipulated by applicable laws.

10. ACCOUNTS OF THE MERGING COMPANIES AS THE BASIS FOR MERGER

10.1. The Merger Terms have been drawn based on the interim financial accounts of the Acquiring Company for the period ended 30 April 2015 and on the annual financial accounts of the Company Being Acquired for the period ended 31 December 2014.

11. APPROVAL OF MERGER TERMS

11.1. These Merger Terms shall be approved by the sole shareholder of the Acquiring Company and the general meeting of shareholders of the Company Being Acquired.

12. APPENDICES

12.1. Explanations provided to the parties by the attester of the deed.
12.2. The Articles of Association of City Service AS.

13. ORIGINAL COUNTERPART AND ISSUE OF COPIES

13.1. This notarial deed has been drawn up and signed in one original that is preserved in the notary's office.

13.2. Copies of the notarial deed shall be issued to the parties either on paper or digitally as chosen by the party. A digital copy of the deed will also be accessible by the parties on the state website at www.eesti.ee.

13.3. In addition, the governing bodies of the Merging Companies shall file translated certified copies of this notarial deed with the respective commercial registers.

14. COSTS OF ENTRY INTO MERGER TERMS

14.1. The costs of entry into these Merger Terms shall be paid by the Company Being Acquired.

14.2. The party shall pay the notary fee by way of bank transfer to the bank account of the notary within three (3) business days. The notary is entitled to withhold copies of the notarial deed until the notary fee is paid. Pursuant to section 38 (2) of the Notary Fees Act, the companies participating in the merger are severally and jointly liable to the notary for the payment of the notary fee for the notarial deed.

The notarial deed and the documents appended thereto have been interpreted to the parties not proficient in English from English into Estonian by the attester of the deed, the deed and the documents were handed to the parties for review before their approval, then approved by the parties and signed in own hand in the presence of the attester of the deed.

The notarial deed is prepared in the English language at the request of the parties.

This document contains 14 pages, bound with a string and sealed with an embossing seal.

Notary fee payable for the attestation of the cross-border merger terms: 10,735.92 EUR (transaction value 6,390,000.00 EUR; § 18 (2) and (5), 22, 23 (2) of the Notary Fees Act).

Total notary fee	10,735.92 EUR
VAT	2,147.18 EUR
Total	**12,883.10 EUR**

(SIGNATURE)

first name and surname *in handwriting*

Signature and seal of the notary

(STAMP)

(SIGNATURE)

Appendix No 1 to the notarial deed

1. Explanation provided to the parties by the attester of the notarial deed

1.1. The notary has explained to the parties that the merger can be conducted if the list of shareholders and the division of the shares between the shareholders at the time of entering the merger in the register is the same as presented in the present merger terms.

1.2. Pursuant to the Commercial Code § 403 (3) the rights of third persons with regard to the exchanged shares shall remain valid with regard to the shares of the acquiring company.

1.3. Pursuant to the Commercial Code § 397 (2) the partners or shareholders shall be provided with the opportunity to examine the merger agreement, merger report and auditor's report at least two weeks before deciding on approval of the merger agreement unless otherwise provided by law.

1.4. Pursuant to Commercial Code § 397 (4) the management boards of or the partners entitled to represent the merging companies, prior to deciding on the approval of the merger agreement, shall notify the partners or the general meeting of all material changes in the assets of the company which occur in the interim between the entry into the merger agreement and deciding on the approval of the merger agreement. The management boards of or the partners entitled to represent the merging companies shall notify of the changes specified in the previous sentence also the management boards of or the partners entitled to represent the other merging companies, who shall notify of the above changes the partners or the general meeting of their companies. The obligations specified in this section above need not be performed if the only share or all the shares of the company being acquired are held by the acquiring company, or if this is agreed to by all the partners or shareholders of the merging company.

1.5. Pursuant to the Commercial Code § 399 (1) immediately after a merger has been entered in the commercial register of the registered office of the acquiring company, the acquiring company shall publish a merger notice to the creditors of the merged companies in the publication *Ametlikud Teadaanded*, informing them of the possibility to submit, within six months after the publication of the notice, their claims to the acquiring company in order to receive a security.

1.6. Pursuant to the Commercial Code § 400 (1) the management board of or the partners entitled to represent a merging company shall submit, nor earlier than after one month of the approval of the merger resolution, a petition for entry of the merger in the commercial register. The following shall be appended to the petition: 1) a copy of the merger agreement certified by a notary; 2) the merger resolution; 3) the minutes of the meeting of the partners or shareholders if the merger resolution is made at a meeting; 4) the permission for merger, if required; 5) the merger report or the agreements not to prepare one; 6) the auditor's report, if required, or the agreements not to prepare one; 7) the final balance sheet of the company being acquired if the company being acquired submits the petition; 9) resolution of the Competition Board to grant permission for a concentration if the obligation to request such permission arises from the Competition Act; 10) if the shares of a merging company are registered in the Estonian Central Register of Securities, the confirmation of the registrar of the Estonian Central Register of Securities that the management board of the merging company has informed the registrar of the merger; 11) the interim balance sheet or the agreements not to prepare one.

1.7. Pursuant to the Commercial Code § 419 (4) at least one month prior to the general meeting deciding on the merger, the management board shall submit the merger agreement to the registrar of the commercial register or disclose it on the homepage of the public limited company. Upon the disclosure of the merger agreement on the homepage of the public limited company, it shall be available to the public free of charge until the end of the

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general meeting. In addition, the management board shall publish in the official publication *Ametlikud Teadaanded* a notice concerning the entry into the merger agreement. The notice shall indicate where or at which homepage address it is possible to examine the merger agreement and other documents specified in subsection (1) of this section and receive copies of these documents. Upon the disclosure of the merger agreement on the homepage of the public limited company, the notice shall also indicate the disclosure date of the merger agreement.

1.8. Pursuant to the Commercial Code § 421 (4) if at least nine-tenths of the share capital of a private limited company or of the share capital of a public limited company being acquired is held by the acquiring public limited company, approval of the merger agreement by a merger resolution of the acquiring public limited company shall not be required for merger. The own shares of the company being acquired shall not be taken into account in the determination of representation. The acquiring public limited company at least one month before deciding on the approval of the merger agreement by the company being acquired or, if the merger agreement need not be approved at the meeting of shareholders or the general meeting of the company being acquired, at least one month before the creation of the rights and obligations arising from the merger agreement shall perform the disclosure obligations specified in § 419 of this Code. A merger resolution is necessary if this is demanded within the term specified in the previous sentence by shareholders of the acquiring public limited company whose shares represent at least one-twentieth of the share capital and unless the articles of association prescribe a lower representation requirement.

1.9. A registrar may enter a merger in the register only if the final balance sheet of the company being acquired is prepared as at a date not earlier than eight months before submission of the petition to the commercial register. The final balance sheet is prepared pursuant to the requirements established for the balance sheet that constitutes part of the annual report, and the approval of the final balance sheet and conducting the audit thereof is governed by the provisions concerning the approval of the annual report and conducting an audit. The final balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the latest annual report. The final balance sheet shall be prepared as at the day preceding the merger balance sheet date.

1.10. The members of the management board or the managing partners of a merging company shall be jointly and severally liable to the company, the partners or shareholders, or the creditors of the company for any damage wrongfully caused by the merger. The limitation period for the aforementioned claim shall be five years from entry of the merger in the commercial register of the registered office of the acquiring company.

1.11. The attester of the deed has explained the requirements arising from § 433^{1} to 433^{9} of the Commercial Code on the cross-border merger.

1.12. According to § 433^{3} of the Commercial Code in the case of cross-border merger, the merger report shall also set out the effect of the merger on the employees and creditors of the public limited company or the private limited company. The report shall also include, as an annex, the opinion of the representative of the employees or the trade union if such opinion was provided at least one month prior to the meeting or general meeting which passed the resolution on the merger.

1.13. According to § 433^{4} of the Commercial Code upon cross-border merger, an auditor shall audit the merger agreement. Upon cross-border merger, one or several common auditors may be appointed to several or all of the companies being acquired. A common auditor or auditors shall be appointed only by or with permission of a court or administrative agency of the Contracting State under whose jurisdiction one of companies

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being acquired or the acquiring company falls. Based on the request of the merging companies, an Estonian court shall appoint the auditor or auditors specified in subsection (2) of this section who shall have the expertise and skills necessary for auditing a cross-border merger. The court shall also specify the procedure for and amount of remuneration for the auditor or auditors it appoints.

1.14. According to § 433^5 of the Commercial Code at least one month before the meeting or general meeting which decides on the merger, the partners or shareholders shall be granted an opportunity to examine the merger agreement, merger report and auditor's opinion. The merger report shall be made available to the representative of the employees or trade union of the company or, in the absence thereof, to the employees of the company at least one month before the meeting or general meeting which decides on the merger. If all the shares of the company being acquired granting voting rights belong to the acquiring company, the meeting or general meeting of the company being acquired which decides on the merger need not approve of the merger agreement.

1.15. According to § 433^9 subsection 6 of the Commercial Code if a company registered or to be registered in the Estonian commercial register participates in a cross-border merger as the acquiring company, the company being acquired which falls under the jurisdiction of a Contracting State shall submit the registrar an application by the court, notary or other competent authority of the corresponding Contracting State stating that the requirements for merger have been fulfilled and pre-merger acts have been concluded with respect to the company being acquired which falls under the jurisdiction of such Contracting State, and submit the merger agreement. The certificate shall be submitted within six months after its issue. The merger entry shall be made even if it is evident based on the certificate that a court proceeding for checking the share exchange ratio within the meaning of subsection 398 (3) of the Commercial Code has been initiated with respect to the company being acquired. Under the subsection 7 on the same Article if a company registered or to be registered in the Estonian commercial register participates in a cross-border merger as the acquiring company, the registrar of the seat of the company shall immediately give notice of the merger entry to a court, notary or other competent authority of the Contracting State under whose jurisdiction the company being acquired falls and, if the shares of the acquiring company are registered in the Estonian Central Register of Securities, shall also inform the registrar of the Estonian Central Register of Securities thereof.

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Appendix No 2 to the notarial deed

ARTICLES OF ASSOCIATION OF CITY SERVICE AS

1. BUSINESS NAME AND SEAT

1.1. The business name of the public limited liability company is City Service AS (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 Articles of Association (the "**Articles of Association**").

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 Articles of Association.

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.

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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 have a quorum if more than one-half of the votes represented by shares are represented at the meeting.

5.3. The general meeting of shareholders shall be competent to:

5.3.1. amend the Articles of Association;
5.3.2. increase and reduce share capital;
5.3.3. issue convertible bonds;
5.3.4. elect and remove members of the supervisory board;
5.3.5. 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;
5.3.6. elect an auditor;
5.3.7. designate a special audit;
5.3.8. approve the annual report and distribute profit;
5.3.9. decide on the dissolution, merger, division or transformation of the Company;
5.3.10. decide on other matters assigned to the competence of the general meeting by law.

5.4. 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.

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The management board shall have 1 (one) member. The members of the management board are elected for a term of four (4) years.

3. Each member of the management board may represent the Company in all legal acts.

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 office (employment), 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, shares of stock) 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 the balance value exceeding 1/20 (one-twentieth) of the Company's share capital (per each type of transaction);
7.2.6. to make investments exceeding approved budget for the current financial year;
7.2.7. to assume loans or debt obligations exceeding approved budget for the current financial year;
7.2.8. to offer surety or guarantee of obligations of third parties for an amount in excess of 1/20 (one-twentieth) of the share capital of the Company;
7.2.9. to acquire long-term assets at a price exceeding 1/20 (one-twentieth) of the Company's share capital;
7.2.10. to engage the Company into new business activities or to discontinue any specific activity currently performed;
7.2.11. to approve participation and (or) conclusion of peaceful settlement agreements in legal proceedings where the amount of claims made to or by the Company exceeds 1/5 (one fifth) of the share capital of the Company;
7.2.12. to issue debentures of the Company or other forms of borrowing from any natural or legal persons (regardless of the amount);
7.2.13. 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;
7.2.14. to determine which information will be considered the Company's commercial (industrial) secret and confidential information;
7.2.15. 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;

(SIGNATURE)

7.2.16. to determine the methods used by the Company to calculate the depreciation of tangible assets and the amortization of intangible assets.

7.3. The supervisory board also has the 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 Articles of Association.

7.4. The supervisory board shall analyse and evaluate documents submitted by the management board of the Company on:

7.4.1. the implementation of the operating strategy of the Company;
7.4.2. the organization of the activities of the Company;
7.4.3. the financial status of the Company;
7.4.4. the results of business activities, income and expenditure estimated, stocktaking data, and other accounting date of changes in the assets.

7.5. 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.

7.6. 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.

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

(SIGNATURE)

NOTARY'S INSCRIPTION

Done in Tallinn, on 19.05.2015.

I, Merle Saar-Johanson, notary in and for Tallinn, in my office at 3 Rävala av./ 2 Kuke st Tallinn, Estonia, do hereby certify that this transcript, made of an original instrument, is genuine. This document consists of 15 pages, bound by string and embossment.

Notary fee EUR 2,66 (Notary Fees Act 35 sec 1 p 2).

VAT EUR 0,53

Total EUR 3,19

TALLINNA NOTAR MERLE SAAR-JOHANSON