

PLAN OF CONVERSION AND DRAFT TERMS OF CONVERSION

City Service AS, registry code 12827710, registered address Narva mnt 5, 10117 Tallinn, the Republic of Estonia, shall be converted into a European public limited-liability company (a *Societas Europaea*, SE) on the following terms and conditions:

- (1) The business name of SE shall be **City Service SE** (hereinafter the "**Company**").
- (2) The Company shall have its seat and registered address at Narva mnt 5, 10117 Tallinn, the Republic of Estonia.
- (3) City Service AS shall be deemed to be converted and conversion completed as of entry of the conversion in the Estonian commercial register (hereinafter the "**Effective Day**").
- (4) The planned amount of the Company's share capital is EUR 9,483,000, which is divided into 31,610,000 shares with the nominal value of EUR 0.3 each.
- (5) Seeking to duly implement the conversion as well as to ensure the rights and lawful interests of the shareholders, it is anticipated to apply to AB NASDAQ OMX Vilnius with a request to suspend the trading in shares of City Service AS 2 trading days until the day of application to the Estonian commercial register (*äriregister*) regarding registration of conversion. All the orders for acquisition or transfer of shares of City Service AS provided until the trading suspension day shall be executed following the procedure of the applicable legal acts. For the purpose of exchange of shares of City Service AS into the shares of the Company a list of shareholders shall be concluded at a close of the trading day preceding the day of application to the Estonian commercial register (*äriregister*) (hereinafter the "**Record Day of Shares**"). According to this list all the shareholders of City Service AS will become the shareholders of the Company, by exchanging on the Effective Day all 31,610,000 shares of City Service AS (ISIN: EE3100126368) to the newly issued shares of the Company of the nominal value of EUR 0.3 each under the proportion of 1:1, i.e. each shareholder of City Service AS will receive one share in the Company for each share in City Service AS owned by that shareholder as at the close of the Record Day of Shares.
- (6) All newly issued shares of the Company shall be considered as fully paid by making non-monetary contribution to the Company by transfer by operation of law of assets and rights of City Service AS to the Company upon the conversion. Since no difference in the price of the shares occurs upon the share exchange, no monetary disbursements shall be made to the shareholders of City Service AS. Following the conversion, the shares of the Company shall remain admitted to trading on the regulated market AB NASDAQ OMX Vilnius until their admission to trading on the regulated market the Warsaw Stock Exchange as decided by the General Meeting of Shareholders of City Service AS (formerly AB "City Service") on 30 April 2015.
- (7) The management of the Company shall not change and remain the same.
- (8) The only member of the management board of the Company will be the same as is in City Service AS, i.e. Jonas Janukėnas, date of birth 19-07-1976, residing in Vilnius, Lithuania. The term of office of Jonas Janukėnas will expire on 29-06-2019, unless recalled by the supervisory board earlier.
- (9) The right of representation of the member of the management board is unlimited.
- (10) Jonas Janukėnas represents that he has a legal right to be a member of the management board and that he has not been deprived of the right to be a member of the management board of a legal person under Estonian law and that there are no circumstances that would exclude his right to be a member of the management board according to law. Jonas Janukėnas further represents that he wishes to be a member of the Company's management

board and that no bankruptcy proceedings have been commenced against him nor has he been declared bankrupt.

- (11) The members of the supervisory board of the Company will be the same as are in City Service AS, i.e.:
- (a) Andrius Janukonis, date of birth 12-10-1971, residing in Vilnius, the Republic of Lithuania;
 - (b) Gintautas Jaugielavičius, date of birth 03-07-1971, residing in Vilnius, the Republic of Lithuania;
 - (c) Artūras Gudelis, date of birth 11-01-1977, residing in Vilnius, the Republic of Lithuania.
- (12) Auditor of the Company will be the same as is in City Service AS, i.e. Ernst & Young Baltic AS (registry code 10877299).
- (13) The financial year of the Company begins on 1 January and ends on 31 December. The first financial year shall end on 31 December 2016.
- (14) By approving these draft terms of conversion, the shareholders also approve the Statutes of the Company (Annex No. 1 hereto).
- (15) The conversion expenses will be approximately in the amount of EUR 10,000 and will be paid by City Service AS.

The plan of conversion and draft terms of conversion have been prepared by the Management Board of City Service AS and signed on 13 August 2015.

On behalf of the Management Board:



Hannes Kūn

Authorized person acting under Power of Attorney issued on 18 May 2015