

**ARTICLES OF ASSOCIATION OF
NON-PROFIT ORGANIZATION
ESTONIAN WATERWORKS
ASSOCIATION
(MTÜ EESTI VEE-ETTEVÕTETE LIIT)**

I GENERAL PROVISIONS

1. The non-profit organization MTÜ Eesti Vee-ettevõtete Liit (hereinafter referred to as “EVEL”) is a voluntary association of legal persons providing service through public water supply and sewerage system and other legal persons providing service related to the same activity.
2. EVEL is an independent legal person in private law with rights and obligations and insignia that derive from this, and it has an independent balance sheet and bank accounts in the Estonian and foreign banks.
3. In its activity, EVEL shall be guided by the laws of the Republic of Estonia and other legal instruments, international agreements and the present Articles of Association.
4. In any communication in English, the name of EVEL shall be “Estonian Waterworks Association”. The official abbreviation of EVEL, regardless of the language of communication, shall be “EVEL”.
5. The seat of EVEL is Tallinn, the Republic of Estonia.

II OBJECTIVE

6. EVEL aims to be the representative organisation for the companies providing service through public water supply and sewerage system and to develop a favourable business environment for them, to represent and protect their interests.
7. To achieve this aim, EVEL shall:
 - 7.1. participate in the legislative process;
 - 7.2. promote research and learning activities and technological development related to public water supply and sewerage;
 - 7.3. gather and provide information related to public water supply and sewerage and concerning public water supply and sewerage;
 - 7.4. organise events;
 - 7.5. organise activities related to professional skills or a certificate of competency;
 - 7.6. cooperate with organizations, authorities and administrative units;
 - 7.7. organize joint procurements for the members of EVEL and other joint activities to promote the interests of the members of EVEL;
 - 7.8. provide services.

**III MEMBERS, THEIR RIGHTS AND
OBLIGATIONS**

8. Membership in EVEL shall be open to legal persons providing service through public water supply and sewerage system and legal persons related to the same activity.
9. The members of EVEL shall be admitted on the basis of a written application. The admission of a new member shall be decided upon by the Management Board.
10. Member of EVEL shall be entitled to:
 - 10.1. participate in the General Meeting of EVEL with the decisive voting right, to elect a representative of a member of EVEL and to be elected, as a representative of a member of EVEL, to the management and control bodies of EVEL;
 - 10.2. submit proposals to discuss issues relating to the activities of EVEL to the General Meeting, to the Management Board, to the Chairman of the Board and to the Managing Director. The agenda items proposed for discussion at the General Meeting shall be submitted through the Management Board;
 - 10.3. obtain information from the Management Board on the activities of EVEL;
 - 10.4. request the calling of an extraordinary General Meeting upon request submitted to the Management Board by at least 1/10 of the members of EVEL, whereas such a request must be made in writing, stating the reason for calling a General Meeting;
 - 10.5. use the services provided by EVEL and take part in the events organized by EVEL;
 - 10.6. display the insignia of EVEL in accordance with the rules and regulations established by EVEL;
 - 10.7. withdraw from EVEL on the basis of a written application submitted to the Management Board of EVEL.
11. A member of EVEL shall be obligated to:
 - 11.1. recognize and adhere to this Articles of Association and to undertake to enforce the resolutions adopted by and observe the rules and regulations approved by the General Meeting and the Management Board within their remit;
 - 11.2. pay the prescribed amount of membership fee of EVEL when due;
 - 11.3. not to abuse the rights arising from their membership;
 - 11.4. provide true information about themselves;
 - 11.5. abstain from any action that damages the reputation of EVEL;
 - 11.6. not to make statements on its own initiative on behalf of EVEL;
 - 11.7. provide assistance in achieving the objectives of EVEL;
 - 11.8. immediately inform the Management Board of EVEL about the reorganization, merger, division or dissolution of a member.
12. In the event of a failure to comply with the obligations mentioned above, the Management Board may, by its decision to that effect, limit the rights of an EVEL member provided for in this Articles of Association or exclude a member from the membership of EVEL. In that case, a member with limited rights or excluded from the membership of EVEL shall be liable to pay the membership fee for the respective financial year and all the amounts owed. Payment made to a member excluded from the membership of EVEL will not be returned.

(IV) ENROLLMENT AND TERMINATION OF MEMBERSHIP

13. The admission of a member of EVEL shall be decided upon by the Management Board of EVEL by its decision to that effect, on the basis of a written application from a person wishing to become a member of EVEL. The Management of EVEL is, where appropriate, entitled to request further information from an applicant.
14. The date of the decision by the Management Board shall be deemed to be the date of becoming a member of EVEL.
15. The person shall acquire the rights and obligations of a member of EVEL after a decision to that effect by the Management Board and the payment of entrance and membership fees.
16. The rules and regulations of entrance and membership fees shall be approved by the General Meeting of EVEL.
17. The membership shall cease:
 - 17.1. with a member's withdrawal at its own request;
 - 17.2. in the event of dissolution, merger or division of a member who is a legal person;
 - 17.3. with the exclusion of a member by the decision of the Management Board.
18. The membership fee paid by a member shall not be refunded upon termination of the membership. The membership fee for the respective financial year and all of the amounts owed shall be payable upon termination of the membership.
19. A member of EVEL shall submit to the Management Board an application for withdrawal from EVEL.
20. A member of EVEL who is a legal person shall submit to the Management Board a notice on the dissolution, merger or division of a member, including a copy of such a decision. The membership shall be deemed to be terminated with a decision by the Management Board.

V MANAGEMENT

21. Directing bodies of EVEL are:
 - 21.1. the General Meeting,
 - 21.2. the Management Board,
 - 21.3. the Managing Director.
22. The General Meeting of the members is the highest directing body of EVEL.
23. Between the General Meetings, the Management Board elected at the General Meeting and chaired by the Chairman of the Management Board is the highest directing body.
24. The Managing Director is the executive and managing body of EVEL.
25. EVEL is represented in all legal procedures by:
 - 25.1. the Member of the Management Board;
 - 25.2. the Managing Director within their remit without proxy;
 - 25.3. other persons by proxy jointly issued by all the members of the Management Board or by proxy issued by the Managing Director, within his/her remit.

GENERAL MEETING

26. The General Meeting of the members is the highest directing body of EVEL. The meetings can be annual or extraordinary General Meetings.
27. The General Meeting is competent to:

- 27.1. change the objective of EVEL;
 - 27.2. approve, supplement and amend the Articles of Association and the strategy of EVEL;
 - 27.3. elect the Management Board of EVEL, whereas at the nomination of more than nine candidates, the nine candidates who receive the most votes shall be elected to the Management Board;
 - 27.4. elect the Audit Committee as a control body of EVEL and appoint an auditor, where the members find the appointment of an auditor to be essential;
 - 27.5. approve the annual budget of EVEL;
 - 27.6. hear the report of the Management Board of EVEL, hear the report of the Audit Committee and the auditor, approve the annual report;
 - 27.7. remove the Management Board of EVEL or its member;
 - 27.8. approve the rules and regulations of the entrance and membership fee of EVEL;
 - 27.9. decide on conclusion of a transaction with another body elected by the Management Board or the General Meeting, or on assertion of a claim against it and on the appointment of a representative of EVEL in such transaction or claim;
 - 27.10. decide on dissolution, merger or division of EVEL;
 - 27.11. appoint the number and composition of liquidators;
 - 27.12. appoint the beneficiaries at the distribution of remaining assets upon the dissolution of EVEL;
 - 27.13. decide on other issues which do not fall within the remit of other bodies by law or by the Articles of Association.
28. The Management Board shall call an annual General Meeting at least once a year, sending a written notice at least 7 days before the date of the General Meeting to the members, setting out the date and place of the General Meeting and the agenda of the General Meeting.
29. The Management Board shall call an extraordinary General Meeting on its own initiative, on the request from an Audit Committee, from an auditor, or from at least 1/10 of the members of EVEL, motivated in writing, within one month of the date of receipt of such a request motivated in writing.
30. The Management Board shall submit issues to be discussed at the General Meeting. The members of EVEL, the Managing Director, an Audit Committee or an auditor shall submit their issues to be discussed at the General Meeting via the Management Board.
31. The Chairman of the Management Board opens the General Meeting. After opening, the representatives of the members of EVEL shall elect a chairman of the meeting.
32. The course of the General Meeting and the resolutions adopted shall be recorded in the minutes. The number of votes to which the resolution was adopted, and any dissenting opinions submitted shall be registered when entering the resolutions in the minutes. The minutes shall be prepared by a person elected by the chairman for this purpose from among the members or the persons invited.
33. In the election of a person, the candidate who receives the most votes shall be deemed to be elected. The election by open vote or by secret ballot shall be decided by the General Meeting.

34. The General Meeting has a quorum if more than one-half of the members of EVEL participate in the meeting. A resolution is adopted if more than one-half of the members participating in the meeting are in favour. Each member shall have one vote in the General Meeting.
35. If the General Meeting does not have a quorum, a new meeting shall be called within 15 days, and a respective invitation will be sent out to all members at least 7 days before the meeting. The General Meeting called for the second time has a quorum regardless of the number of members participating.
36. To change the objective of EVEL, a consent of at least 9/10 of the members is required at all times. To adopt the Articles of Association, to make changes in thereof and to decide on mergers and divisions of EVEL, a majority of votes in favour of over 2/3 of the members participated in the meeting is required at all times.
37. A member shall not participate in voting if approval of the conclusion of a transaction with themselves or with a person with an equivalent economic interest or the commencement or termination of the litigation is being decided.
38. The members of the Management Board shall not participate in voting if approval of the filing a claim by EVEL against themselves is being decided. Their votes shall not be counted in determining the representation.
39. The General Meeting may be carried out by electronic means, by ensuring that all members of the meeting have access to the meeting in time and space.
40. In case of carrying out the General Meeting electronically and when voting by means of electronic communication or by means which enable written reproduction in such a meeting, the identification of a participant, voting security and liability shall be ensured. A member who has voted by electronic means or in a format which enables written reproduction shall be deemed to be a participating member in the General Meeting and their vote shall be included in the calculation of the quorum of the General Meeting.
41. The members of EVEL shall be entitled to adopt resolutions without calling a General Meeting. In such a case, the resolution of the General Meeting shall be deemed to have been adopted if all members of the non-profit association vote in favour of the resolution in writing.

M A N A G E M E N T B O A R D

42. The Management Board manages the activity of EVEL, presents annual report on the results of the work to the General Meeting, and is entitled to adopt resolutions only on the issues related to the activities of EVEL within the remit of the Management Board.
43. The Management Board shall be elected for a term of three years by the General Meeting and consists of not less than three and not more than nine members.
44. A member of the Management Board may be removed by a resolution of the General Meeting at any time, regardless of the reasons for such a measure.

45. The members of the Management Board shall be the representatives of the member of EVEL at the time of the election.
46. The Management Board of EVEL shall:
 - 46.1. call the General Meeting of EVEL and submit proposals on the agenda;
 - 46.2. be accountable to the General Meeting;
 - 46.3. present the annual report (annual accounts and annual reports) to the General Meeting of EVEL;
 - 46.4. decide on the restriction of rights of a member and the termination of membership of EVEL provided for in this Articles of Association;
 - 46.5. determine the due dates for the payment of entrance and membership fees of EVEL;
 - 46.6. elect the Chairman of the Management Board and the Deputy Chairman or Deputy Chairmen of the Management Board from among themselves;
 - 46.7. determine the composition of the executive team of EVEL;
 - 46.8. present annual budget to the General Meeting;
 - 46.9. organize working groups and appoint members to these on a proposal from the Managing Director;
 - 46.10. approve the rules and regulations of the calculation of fee paid for the paid services provided by EVEL;
 - 46.11. establish the procedure for carrying out the General Meeting by electronic means, considering all the legal requirements set on carrying out the General Meeting;
 - 46.12. decide on the recruitment and dismissal of the Managing Director of EVEL;
 - 46.13. decide on possible participation of EVEL in other associations;
 - 46.14. decide on possible donations to non-profit organisations, funds or foundations.
47. The Management Board shall have regular meetings at least once every quarter.
48. An extraordinary meeting of the Management Board shall be called by a decision of the Chairman of the Management Board, at a written request of the Managing Director, the Audit Committee and the Auditor, or 1/3 of the members of the Management Board within a period of 20 days from the date of submission of the request.
49. The Chairman of the Management Board shall call the meeting by serving notice of the date and place of the meeting and the issues to be discussed to the members of the Management Board at least 7 days before the meeting.
50. The meeting of the Management Board of EVEL has a quorum if more than one-half of the members of the Management Board participate in the meeting. The resolutions of the Management Board shall be adopted by simple majority of the members of the Management Board of EVEL present.
51. The Management Board is entitled to adopt resolutions without calling a meeting if all members of the Management Board consent thereto. The Chairman of the Management Board shall send a draft resolution by electronic means to all members of the Management Board, setting a time limit within which the member of the Management Board must submit their position by electronic mean. If a member of the Management Board within that time limit fails to inform whether they are in favour of or opposed to the resolution, it shall be deemed that they would vote against it. In case a resolution is being adopted according to the procedure laid down in this subsection, the resolution is adopted if more than one-

half of the votes of the members of the Management Board are in favour. All the members of the Management Board shall be informed immediately of the results of voting in writing. The Management Board is entitled to lay down a detailed procedure for the electronic voting.

MANAGING DIRECTOR

52. The Managing Director is the executive and managing management body of EVEL who is guided in its activities by this Articles of Association, resolutions of the General Meeting and the Management Board, and the employment contract concluded with them.
53. The Managing Director of EVEL shall:
- 53.1. perform operational management of the activities of EVEL, ensure the implementation of resolutions by the General Meeting and the Management Board, reporting directly to the Management Board of EVEL;
 - 53.2. use the fixed and current assets and other assets of EVEL within budget and under objective;
 - 53.3. solve current issues of EVEL concerning planning, financing, material and technical supply, the executive team and the management;
 - 53.4. recruit the employees of EVEL, determine their salaries and issue decrees;
 - 53.5. manage the work of employees who are employed under an employment contract and other contracts;
 - 53.6. be liable for economic condition and activities of EVEL, shall report on its activities to the Management Board;
 - 53.7. approve the pricelist for other paid services provided by EVEL.
54. In case of absence, the Managing Director shall be replaced by an employee of EVEL appointed by the Managing Director or by any other person related.

VI AUDIT COMMITTEE

55. The Audit Committee is a control body of EVEL.
56. The General Meeting shall elect the Audit Committee from among the representatives of the members of EVEL for a term of three years and it consists of not less than two and not more than five members.
57. A management body or a member of the management body of EVEL cannot be a member of the Audit Committee.
58. The members of the Audit Committee shall elect a Chairman of the Audit Committee from among themselves.
59. The Audit Committee shall supervise the other management bodies of EVEL on instruction from the General Meeting. The Audit Committee is accountable to the General Meeting of EVEL.
60. The Audit Committee shall prepare a report on the results of the audit, which it will present to the General Meeting.
61. The objective of the Audit Committee is to ensure that:
- 61.1. the activity of EVEL would be in accordance with the laws of the Republic of Estonia;
 - 61.2. the activity of EVEL would be transparent and in accordance with the documents of EVEL;
 - 61.3. the activity of EVEL would be consistent with the objective of EVEL;
 - 61.4. the use of financial funds in EVEL would be sustainable;
 - 61.5. the external image and the organizational climate of EVEL would be positive.

62. A member of the Audit Committee shall remove themselves from the activities of the Audit Committee where a conflict of interest between the targeted activity of the Audit Committee and the member of the Audit Committee may occur.
63. A member of the Audit Committee may be removed by a resolution of the General Meeting at any time, regardless of the reasons for such a measure.

VII ASSETS

64. The assets and funds of EVEL include:
 - 64.1. entrance and membership fees;
 - 64.2. grants and donations;
 - 64.3. revenues from targeted activities, incl. services rendered;
 - 64.4. other income.
65. The funds of EVEL shall be used to achieve the objectives of EVEL.
66. The financial year of EVEL commences on January 1st and ends on December 31st.
67. The income and assets of EVEL shall not be distributed among the members of EVEL during the lifetime of EVEL.
68. EVEL shall be liable for performance of its proprietary obligations with all its assets which, in accordance with the regulations in force, may become a subject to a claim for payment.
69. EVEL shall not be liable for the performance of the obligations of its members, as well as the members of EVEL shall not be liable for the performance of the obligations of EVEL.

VIII DISSOLUTION, MERGER AND DIVISION

70. EVEL may be dissolved:
 - 70.1. under the terms of a resolution of the General Meeting if at least 9/10 of the members are in favour;
 - 70.2. in case of a decrease in the number of members down to two;
 - 70.3. on some other basis provided by law.
71. EVEL may undergo compulsorily dissolution on the basis of and pursuant to the procedure prescribed by law.
72. On the dissolution of EVEL, liquidation proceedings provided by law shall be carried out. The liquidation committee of EVEL shall carry out the liquidation proceedings pursuant to the procedure prescribed by law.
73. After satisfaction of all claims of creditors and the deposit of money, the remaining assets shall be distributed by a resolution of the General Meeting.
74. The merger and the division of EVEL shall take place under the terms of a resolution of the General Meeting and pursuant to the procedure prescribed by law.