

ARTICLES OF ASSOCIATION OF MTÜ EES-RINGLUS

Approved by the memorandum of association 16 February 2005 and changed by decisions of general meetings dated 16 December 2005, 21 November 2006, 27 May 2008, 25 November 2011 and 4 December 2020.

1. GENERAL PROVISIONS

1.1. The business name of the non-profit association (hereinafter: the Association): Eesti Elektri- ja Elektroonikaseadmete Ringlus, legal acronym: EES-Ringlus.

1.2. The location of the Association is Tallinn.

1.3. The Association is a legal person in private law which shall operate pursuant to the Estonia law and other legal acts, decisions of the memorandum of association and these articles of association.

1.4. The objective of the Association is:

1.4.1. establishment and operation of a transparent and efficient system to enable the producers of electrical and electronic equipment or batteries and accumulators to meet the requirements for treatment of waste generated from electrical and electronic equipment or batteries and accumulators.

1.4.2. management of the collection, reuse or disposal of the waste generated from electrical and electronic equipment or batteries and accumulators.

1.5. For the purpose of meeting the objectives the Association shall among other activities:

1.5.1. constantly work on meeting the objectives at the lowest possible cost and on the basis of transparent fees;

1.5.2. enter into contracts with waste management operators, repair and maintenance shops and local municipalities;

1.5.3. keep itself and its members informed about legal acts on treatment of waste generated from electrical and electronic equipment or batteries and accumulators, prepare and submit proposals for amendments or assess draft amendments if the need be;

1.5.4. participate whenever possible in projects and research related to the objectives of the Association;

1.5.5. collect and provide the members of the Association with information on the objectives of the Association;

1.5.6. provide information to the public about issues concerning treatment of waste generated from electrical and electronic equipment or batteries and accumulators and participate in relevant information events;

1.5.7. make contacts and develop cooperation with similar organisations in Estonia and abroad.

1.6. The Association shall be founded for an unspecified term.

2. MEMBERS

2.1. Founders of the Association are persons having signed the memorandum of association and approved these articles of association

2.2. In addition to the founders any operator who complies with the requirements of this articles of association and is producer of electrical and electronic equipment or batteries and accumulators can become a member of the Association.

2.3. The management board decides on membership based on the application of the applicant within 30 days from the date of receiving the application. A copy of the resolution of the management board on approval or denial of membership to an applicant shall be sent to the applicant within two working days from the date of the adoption of the resolution.

2.4. (void)

2.5. (void)

2.6. The rights and obligations imposed on a member of the Association can be exercised from the date of the adoption of the resolution of the management board on approval of membership of the applicant. In case the General Meeting has established an entrance fee, the rights and obligations of the member do not arise until its payment.

2.7. A member of the Association has the right to leave the Association on the basis of a written petition

notifying the Association of the intention in writing at least 30 days in advance.

2.8. A member of the Association may be excluded from the Association by a resolution of the management board in cases the member:

- 2.8.1. fails to adhere to the obligations provided in clause 2.12 of the articles of association;
- 2.8.2. significantly damages the Association.

2.9. A member may appeal the resolution of the management board on the exclusion of the member from the Association to the general meeting according to the procedure prescribed by law and claim the declaration of the resolution on exclusion invalid by the general meeting.

2.10. A person whose membership in the Association has terminated shall not have a right to the assets of the association and the entrance fee and the membership fee shall not be returned. If a membership terminates during a financial year, the membership fee shall be paid for the whole financial year.

2.11. A member of the Association has the right to:

- 2.11.1. participate in the general meetings with the right to vote;
- 2.11.2. use the services provided by the Association on terms and conditions laid down by the general meeting;
- 2.11.3. get information on the activities carried out by the Association;
- 2.11.4. access resolutions made by the bodies of the Association;
- 2.11.5. get information from the management board about the obligations imposed on the members of the Association related to the treatment of waste generated from electrical and electronic equipment or batteries and accumulators;
- 2.11.6. make proposals to management board on planning and organising the activities of the Association;
- 2.11.7. leave the Association.

2.12. A member of the Association has an obligation to:

- 2.12.1. Meet the obligatory requirements prescribed by the articles of association and decisions of the general meetings related to the activities of the Association;
- 2.12.2. provide without delay the bodies of the Association with correct information about the activities of the members necessary for the calculation of services fees defined by the bodies of the Association or completing other tasks of the Association;
- 2.12.3. not to disclose confidential information about other members of the Association and Association to the third persons;
- 2.12.4. pay the annual membership fee and for the services provided by the Association on the dates specified by the Association;
- 2.12.5. notify the management board of the initiation of its reorganisation, merger, division or dissolution.

3. GENERAL MEETING

3.1. The highest body of the Association is the general meeting of its members. All members of the Association may participate in the general meeting unless otherwise provided by law.

3.2. The general meeting adopts resolutions on all management matters of the Association which are not placed within the competence of the management board or the supervisory board of the Association by law or these articles of association.

3.3. The general meeting is competent to:

- 3.3.1. amend the articles of association;
- 3.3.2. change objectives;
- 3.3.3. decide on the amount of the entrance fee and the membership fee and the term for payment of these fees;
- 3.3.4. *(void)*
- 3.3.5. adopt the annual report of the Association;
- 3.3.6. assign and recall members of the management board and the supervisory board and decide the remuneration of such members
- 3.3.7. appoint a controller or an auditor of the Association
- 3.3.8. decide on entry into transactions with members of the management board or the supervisory board, decide on the assertion of claims against such members or appoint a representative of the Association in such transactions or claims;
- 3.3.9. decide on the merger, division or dissolution of the Association;
- 3.3.10. decide other matters which are not placed in the competence of the Association by law or the articles of association.

3.4. The management board shall call the general meeting at least once a year.

3.5. The management board shall call the extraordinary general meeting in cases prescribed by law, also if the interests of the Association or the supervisory board or at least one-tenth of the members of the Association so demand. An application of a member of the supervisory board and members of the Association for calling the extraordinary general meeting shall be submitted in writing indicating the reason.

3.6. Notice of the regular general meeting, the date, location and the agenda of the regular general meeting shall be given at least 21 days in advance.

3.7. Notice of the extraordinary general meeting, the date, location and the agenda of the extraordinary general meeting shall be given at least 7 days in advance.

3.8. If according to clause 4.2 of the articles of association the supervisory board must adopt a resolution on a draft decision of the general meeting or the action plan of a new economic year and the annual report of the Association, the management board shall provide information about access to the opinion of the supervisory board.

3.9. *(void)*

3.10. Each member of the Association has one vote. A member of the Association or representative of a member who is granted an unattested proxy may participate and vote in the general meeting.

3.11. A member of the Association shall not vote if entry into a transaction with the member or with a person with an equivalent economic interest or commencement or termination of a court action against the member is being decided by the Association.

3.12. A resolution of the general meeting is adopted if over one-half of the members or their representatives of the Association who participate in the meeting vote in favour of the resolution unless the law or articles of association prescribe a greater majority requirement.

3.13. A resolution on amendment of the articles of association is adopted if over two-thirds of the members or their representatives who participate in the general meeting vote in favour.

3.14. The consent of at least 9/10 of the members of the Association is required to change the objective of the Association prescribed in the articles of association.

3.15. The management board shall send the minutes of the general meetings to all members of the Association in one month after the general meeting has effected.

3.16. Members have the right to adopt resolutions without calling the General Meeting.

4. SUPERVISORY BOARD

4.1. The supervisory board of the Association shall plan the activities of the Association, organise its management and exercise supervision over the activities of the Association.

4.2. In addition to the responsibility provided in clause 4.1 of these articles of association the competence of the supervisory board includes:

4.2.1. provision of an opinion in writing on draft resolutions prepared by the management board on defining the amount of the entrance fee and the membership fee and rates of the services provided by the Association and the term for payment of these fees.

4.2.2. provision of an opinion in writing on the annual report of the Association;

4.2.3. *(void)*

4.2.4. adopt the action plan of a new economic year;

4.2.5. approval of the rates of the services provided by the Association and the term for payment of these services.

4.3. The supervisory board shall instruct the management board in the management of the Association. The management board shall require the consent of the supervisory board for conclusion of transactions which are beyond the scope of everyday financial activities. If a delay in the conclusion of such transaction shall mean significant damage to the Association such consent shall not be needed.

4.4. The supervisory board shall have 7 – 13 members who shall be appointed by the founders upon founding the Association and afterwards by the general meeting for a term of up to three years.

4.5. Upon appointing the members of the supervisory board, the principle of proportionality shall be taken into account when possible, taking the share of costs of the treatment of different categories of waste electrical and electronic equipment of the total cost of the treatment of all categories of waste electrical and electronic equipment as the basis analogically with the provisions of clause 8 of the memorandum of association.

4.6. A member of the supervisory board shall be obliged to represent the interests of the category of producers who have elected him/her as their representative in the supervisory board.

4.7. Written consent of the person to be nominated as a member of the supervisory board is needed. The nominating body of a member of the supervisory board shall have the right to remove the member of the supervisory board at any time regardless of the reason.

4.8. Members of the supervisory board shall nominate a chairman from among themselves to organize the activities of the supervisory board.

4.9. A member of the supervisory board has the right to:

4.9.1. examine all the documents of the Association, check the correctness of the accounting practices of the Association, the existence of its assets, the correspondence of the Association's activities to legal acts, these articles of association and resolutions of the supervisory board;

4.9.2. receive information about the activities of the Association from the management board, demand that the management board prepare the activity report and the balance sheet.

4.10. A member of the supervisory board has the obligation to:

4.10.1. adhere to the provisions of this articles of association and legal resolutions of the bodies of the Association.

4.10.2. not to disclose any confidential information about the members of the Association or the Association to the third persons without the grounds stipulated in the law or articles of association

4.11. Meetings of the supervisory board shall be held when required. A meeting of the supervisory board shall be called by the chairman of the supervisory board or a member of the supervisory board representing the chairman. Notice of a meeting and the agenda of the meeting of the supervisory board shall be given not later than 10 days in advance. A meeting of the supervisory board shall be called where a member of the supervisory board, the management board or at least 1/10 of the members of the Association demand this.

4.12. A meeting of the supervisory board shall have a quorum if at least one-half of the members of the supervisory board participate in the meeting. When resolutions on the producers of certain categories of waste electrical and electronic equipment are adopted, a representative of the producer of relevant category of waste electrical and electronic equipment must be present in the supervisory board.

4.13. A member of the supervisory board may be represented by another member of the supervisory board or a third person who is granted an unattested proxy in the meeting and in the adopting of resolutions.

4.14. Items of which notice was not given upon calling the meeting may be entered on the agenda if at least $\frac{3}{4}$ of the members vote in favour of the item to be entered on the agenda.

4.15. Minutes of the meeting of the supervisory board shall be taken. Minutes of the meeting shall be signed by all members participating in the meeting and the person having taken the minutes. Different opinion of a member of the supervisory board shall be recorded in the minutes of the meeting and signed by that member the supervisory board

4.16. If the requirements of law or the articles of association are violated in calling the supervisory board, the supervisory board shall not have the right to adopt resolutions except if all members participate in the meeting.

4.17. A resolution of the supervisory board is adopted if over one-half of the members of the supervisory board who participate in the meeting vote in favour of the resolution. Also, a resolution of the supervisory board shall be adopted if half of the members the supervisory board who participate in the meeting, including the chairman vote in favour of the resolution

4.18. Each member of the supervisory board shall have one vote. Members of the supervisory board shall not have the right to abstain from voting or to remain undecided. Upon an equal division of votes, the chairperson of the meeting of the supervisory board shall have the casting vote.

4.19. The supervisory board may adopt resolutions without calling a meeting if all the members of the

supervisory board agree to it. In order to adopt a resolution without calling a meeting, the chairman of the supervisory board shall send the draft of the resolution to the members of the supervisory board and specify the term during which written replies must be received. If a member of the supervisory board shall not notify in writing within the specified term whether he/she is in favour or against the resolution, it shall be deemed as he/she has voted against the resolution. The resolution shall be deemed as having been adopted if over one-half of the members of the supervisory board vote in favour of the resolution. The chairman of the supervisory board shall organise the preparation of the record of voting replacing the minutes of the meeting and shall send a copy of the record of voting to the members of the supervisory board and the management board without delay.

5. MANAGEMENT BOARD

5.1. The Association shall be managed and represented in regular activities by the management board.

5.2. Competence of the management board shall include:

5.2.1. organisation and management of regular activities of the Association, representation of the Association and entry into transactions on behalf of the Association.

5.2.2. organisation of the accounting practices and reporting of the Association;

5.2.3. preparation of the annual report and management report of the Association;

5.2.4. calling of general meetings and preparation of draft agendas of general meetings and draft resolutions;

5.2.5. making records of the members of the Association.

5.3. The management board may transfer or encumber with a real right immovables or movables of the Association entered in the register only by a prior written resolution of the supervisory board. Resolution of the general meeting is not needed for the entry into this transaction.

5.4. The management board shall have 1 (a chairman) to five members appointed by the founders upon founding the Association and afterwards by the general meeting for a term of up to three years and a member of the management board must be a natural person with active legal capacity. A member of the management board has the right to represent the Association in all legal acts.

5.5. Written consent of the person to be nominated as a member of the management board is needed. The general meeting shall have the right to remove a member of the management board at any time regardless of the reason.

5.6. If the management board of the Association has got at least two members, the supervisory board shall nominate a chairman from among the members of the management board to organize the activities of the management board.

5.7. A meeting of the management board shall have a quorum if over one-half of the members of the management board participate in the meeting.

5.8. A resolution of the management board shall be adopted with a simple majority of votes. Upon an equal division of votes, the chairperson of the meeting of the supervisory board shall have the casting vote.

5.9. The management board may adopt a resolution without calling a meeting if all members of the management board vote in favour of the resolution in writing.

6. ASSETS AND ECONOMIC ACTIVITIES

6.1. The economic year of the Association shall start 1 January and end 31 December.

6.2. The assets of the Association shall consist of entrance fees, membership fees, fees for the services provided by the Association, subsidies, donations and other receipts.

6.3. Members of the Association may give a loan to the Association.

6.4. The assets of the Association shall be used for the achievement of the objectives of the articles of association of the Association.

6.5. Upon dissolution of the Association after satisfaction of all claims and depositing the money the remaining assets shall be distributed to the persons prescribed by the resolution of the general meeting.