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REGISTER OF LEGAL ENTITIES  
*2<sup>nd</sup> of October 2017*  
Code: **112029270/**

**BYLAWS  
of Luminor Bank AB**

## Section 1. General Provisions

- 1.1. Luminor Bank AB (hereinafter referred to as "the Bank") shall be a credit institution is engaged in receipt of deposits and other repayable funds from non-professional participants of the market and lending thereof, as well as the provision of other financial services, and assumes the risk and liability related thereto. The Bank shall be established for an unlimited period of time.
- 1.2. The name of the Bank shall be Luminor Bank AB.
- 1.3. The Bank shall be engaged in the provision of financial services and in other activities without which the provision of financial services is impossible, which facilitate the provision of financial services or are otherwise directly related to the provision of financial services.
- 1.4. The Bank shall be a private legal person with limited civil liability. The Bank shall not be liable for the obligations of the shareholders, and the shareholders shall have only the obligation to pay the issue price of all the shares subscribed thereby in the established procedure, unless otherwise stipulated in laws. The Bylaws of the Bank may be amended in the procedure stipulated in laws.
- 1.5. The objectives of the Bank's activities shall be as follows: to gain profits from the provision of financial services stipulated herein and at the same time to make every endeavour in line with the main objective of the Bank to gain profits to encourage the existing and potential customers to use financial services efficiently, to offer high quality services to customers, to promote a positive image of the Bank and the banking system, to inform the community about the financial services and other services related thereto, to provide material and other support or assistance to individual persons or individual areas, with a particular focus on the culture, art and science.
- 1.6. The Bank, the Bank employees and any other persons who are aware of the information constituting a secret of the Bank shall not disclose the information for an unlimited period of time, except in the events stipulated in laws.
- 1.7. The Bank shall submit the documents and the information on the financial services provided by the Bank and other activities of the Bank to other entities only in the events and in the procedure stipulated in laws.
- 1.8. The activities of the Bank shall be governed by the Constitution, the Civil Code, the Law on Banks of the Republic of Lithuania, the legal acts approved by the supervisory authority and the present Bylaws. The activities of the Bank shall also be governed by the Law on Financial Institutions, the Law on Companies and other legal acts, unless otherwise stipulated in the Law on Banks. The Bank shall operate independently, in compliance with the investment limits and the prudential requirements, the rates and calculation methodology whereof shall be stipulated in laws and other legal acts. The activities of the Bank shall be organised and implemented by decisions of the respective bodies of the Bank.
- 1.9. The financial year of the Bank shall be the calendar year.
- 1.10. The Bank shall be entitled to provide support in the procedure stipulated in laws and other legal acts.
- 1.11. Where the present Bylaws contradict the imperative provisions of laws or fail to regulate certain issues, the provisions of laws shall apply.
- 1.12. The following definitions shall be used herein:
  - 1.12.1. The General Meeting shall mean the General Meeting of the Shareholders of the Bank;
  - 1.12.2. The Supervisory Council shall mean the Supervisory Council of the Bank;
  - 1.12.3. The Management Board shall mean the Management Board of the Bank;
  - 1.12.4. The President shall mean the Chief Executive Officer of the Bank.

## Section 2. Financial Services Provided by the Bank

- 2.1. The Bank shall provide the following financial services:
  - 2.1.1. taking of deposits and other repayable funds;
  - 2.1.2. lending (including mortgage loans);
  - 2.1.3. money transfer;
  - 2.1.4. issuing of payment cards and other means of payment and/or execution of transactions with them;
  - 2.1.5. financial lease (leasing);
  - 2.1.6. provision of financial assurances and financial guarantees;
  - 2.1.7. conclusion of transactions, for its own account or for the account of customers, in money market instruments (cheques, bills, certificates of deposits, etc.), foreign exchange, financial futures and options, exchange and interest rate instruments, public trading securities, precious metals;
  - 2.1.8. investment services;
  - 2.1.9. financial brokerage (agent activities);
  - 2.1.10. cash handling;
  - 2.1.11. provision of information and advice related to crediting and payment;
  - 2.1.12. rent of safe deposit lockers;
  - 2.1.13. currency exchange (cash);
  - 2.1.14. safekeeping and administration of monetary funds;
  - 2.1.15. advice to undertakings on capital structure, industrial strategy and related issues as well as advice and services relating to reorganization, restructuring and acquisition of undertakings;
  - 2.1.16. provision of services related to issuing of securities;
  - 2.1.17. issuing and administration of electronic money;
  - 2.1.18. inter-settlements of credit institutions (clearing);

- 2.1.19. administration of investment funds or investment companies with variable capital.
- 2.2. Provision of the licensed financial services listed in the present Section by the Bank shall be subject to obtaining of the licence issued in the procedure stipulated in laws and other legal acts.

### **Section 3. Capital of the Bank**

- 3.1. The capital of the Bank shall consist of the own and borrowed capital.
- 3.2. The own capital shall consist of the following items:
  - 3.2.1. authorised capital (reduced by the value of own shares repurchased);
  - 3.2.2. reserve capital;
  - 3.2.3. share premium;
  - 3.2.4. retained earnings or loss of the previous year;
  - 3.2.5. revaluation reserve of the fixed tangible assets;
  - 3.2.6. revaluation reserve of the financial assets;
  - 3.2.7. legal reserve;
  - 3.2.8. restricted distributable profit;
  - 3.2.9. retained earnings (loss) of the current year;
  - 3.2.10. general reserves for loan losses;
  - 3.2.11. special undistributable reserve.
- 3.3. The borrowed capital of the Bank shall be represented by the funds received to the ownership of the Bank under a trust (subordinated) loan agreement or by issuing non-equity securities that qualify for a trust (subordinated) loan in all aspects.
- 3.4. The aggregate amount of the items of the own capital of the Bank specified in Subparagraphs 3.2.1-3.2.4 and 3.2.7 shall not be lower than the minimum amount stipulated in the Law on Banks.
- 3.5. The authorised capital of the Bank shall be the par value of all registered shares. The authorised capital of the Bank is EUR 190,204,563.54 (one hundred ninety million two hundred four thousand five hundred sixty-three Euro and 54 ct.), and is divided into 5,710,134 (five million seven hundred ten thousand one hundred thirty-four) ordinary registered shares at par value of EUR 33.31 (thirty-three Euro and 31 ct.) each.
- 3.6. The shares of the Bank shall be uncertificated shares recorded by entries in the personal securities accounts of the shareholders.
- 3.7. The restricted distributable profit shall be made of the profit of the previous financial year and shall be used for acquisition of own shares issued for the benefit of the Bank.
- 3.8. Common reserves for covering the losses of assets shall be the reserves formed from the profit of the Bank and used to cover the losses of assets and to increase the authorised capital. The part of the reserve that was not used to cover the losses of assets and to increase the authorised capital may be transferred to the distributable result.

### **Section 4. Shareholders of the Bank and Their Rights**

- 4.1. A shareholder of the Bank shall be a person who has acquired at least one share of the Bank in the procedure prescribed in laws and other legal acts. All the shares of the Bank shall grant equal rights. One share shall grant one vote.
- 4.2. The shareholders of the Bank shall have the following property rights:
  - 4.2.1. To receive a share of the profit of the Bank (dividend);
  - 4.2.2. To receive a share of the assets of the Bank in the event of liquidation;
  - 4.2.3. To receive shares free of charge when the authorised capital is increased from the Bank's own funds, except in the events stipulated in laws;
  - 4.2.4. In case the shareholder is a natural person, to devise and bequeath all or any part of the shares to one or several persons;
  - 4.2.5. To sell or otherwise transfer all or any part of the shares to the ownership of other persons in the procedure and under the conditions prescribed in laws;
  - 4.2.6. To exercise the pre-emption right in acquisition of the shares or convertible bonds issued by the Bank unless the General Meeting decides to withdraw the pre-emption right from all the shareholders in the procedure prescribed in laws;
  - 4.2.7. To lend to the Bank in the manner prescribed in laws; however, when borrowing from its shareholders, the Bank shall not pledge its assets to the shareholders. When the Bank borrows from a shareholder, the interest shall not be higher than the average interest rate offered by commercial banks of the place of residence or business of the lender effective on the date of conclusion of the loan agreement. Thus the Bank and the shareholders shall be prohibited from negotiating a higher interest rate;
  - 4.2.8. Other property rights stipulated in laws.
- 4.3. The shareholders of the Bank shall have the following non-property rights:
  - 4.3.1. To participate in the General Meetings;
  - 4.3.2. To cast the votes granted by the shares held in the General Meetings;
  - 4.3.3. To receive the information about the Bank to the extent specified in the Law on Companies;
  - 4.3.4. To apply to the court with a claim for compensation of the damage suffered by the Bank due to the failure to perform the duties of the President and the Members of the Management Board of the Bank stipulated in laws and herein, or to

perform them duly, and in other cases stipulated in laws.

- 4.3.5. Other non-property rights stipulated in laws.
- 4.4. At the shareholder's written request, within 7 days from the date of receipt of the request, the Bank shall grant the shareholder an access to and/or submit copies of the following documents: the Bylaws of the Bank, the sets of the annual financial statements, the annual reports of the Bank, the auditor's opinion and audit reports, the Minutes of the General Meetings and other documents whereby the decisions of the General Meetings have been executed, the recommendations and comments of the Supervisory Council addressed to the General Meetings, shareholders' accounting documents, the lists of the Members of the Supervisory Council and the Management Board, other documents that must be publicly accessible under laws, as well as the Minutes of the Supervisory Council and the Management Board meetings or other documents whereby the decisions of the above-mentioned bodies of the Bank have been executed, unless the said documents contain a commercial secret. A shareholder or a group of shareholders who hold or control 1/2 of the shares and more shall have the right of access all the documents of the Bank subject to providing a written commitment to the Bank not to disclose the commercial secret in the form set by the Bank. The documents of the Bank, their copies or any other information shall be provided upon payment of the charge equal to the costs of furnishing of the documents and other information.
- 4.5. A share shall not be divided into parts. If one share is held by several holders, all the holders shall be treated as one shareholder. In this event, the shareholder shall be represented by one holder of the share under a duly notarised written proxy of all the holders. The holders of the share shall bear the joint liability for the obligations of the shareholder.
- 4.6. The shares shall be subscribed, paid for and transferred in the procedure prescribed in laws.

#### **Section 5. Bodies of the Bank**

- 5.1. The Bank shall have the following bodies: the General Meeting of Shareholders of the Bank, the Supervisory Council of the Bank, the Management Board of the Bank and the Chief Executive Officer (the President) of the Bank. The management bodies of the Bank shall be the Management Board and the President.
- 5.2. The management bodies of the Bank shall act only for the benefit of the Bank and its shareholders, comply with laws and other legal acts and be governed by the Bylaws of the Bank.

#### **Section 6. General Meeting of Shareholders**

- 6.1. The persons who were the shareholders of the Bank at the end of the General Meeting record day shall have the right to participate and vote in the General Meeting. The Members of the Supervisory Council and the Management Board, the President, the auditor who has written the auditor's opinion and the audit report shall also have the right to attend and to speak in the General Meeting, though they are not the shareholders of the Bank. Any person who does not have the right to participate in the General Meeting may participate therein subject to permission of the General Meeting.
- 6.2. The General Meeting record day shall be five banking days prior to the General Meeting or five banking days prior to the adjourned General Meeting.
- 6.3. The General Meeting shall have the exclusive right to act as follows:
- 6.3.1. To amend the Bylaws of the Bank save for the exceptions stipulated in laws;
  - 6.3.2. To elect the Supervisory Council or the individual Members thereof;
  - 6.3.3. To remove the Supervisory Council or the individual Members thereof;
  - 6.3.4. To select and remove the audit company, to establish the terms and conditions of payment for the audit services;
  - 6.3.5. To approve the set of annual financial statements of the Bank;
  - 6.3.6. To establish the class, the number and to set the nominal value and the minimum issue price of the shares to be issued by the Bank;
  - 6.3.7. To make the following decisions:
    - 6.3.7.1. To issue the convertible bonds;
    - 6.3.7.2. To withdraw the pre-emptive right to acquire the shares or convertible bonds of the specific issue of the Bank from all the shareholders;
    - 6.3.7.3. To convert the Bank's shares of one class into the shares of another class, to approve the share conversion procedure;
    - 6.3.7.4. On the profit (loss) distribution;
    - 6.3.7.5. On the formation, use, reduction and liquidation of reserves;
    - 6.3.7.6. To increase the authorised capital;
    - 6.3.7.7. To reduce the authorised capital save for the exceptions stipulated in laws;
    - 6.3.7.8. To acquire the Bank's own shares;
    - 6.3.7.9. On the reorganisation or division of the Bank and to approve the terms and conditions of the reorganisation or division;
    - 6.3.7.10. To transform the Bank;
    - 6.3.7.11. To liquidate the Bank, to cancel the liquidation of the Bank, except in the events stipulated in laws;
  - 6.3.8. To elect and remove the liquidator of the Bank, except in the events stipulated in laws.
- 6.4. The General Meeting may also make decisions on other issues unless they are attached to the competence of other bodies of the Bank according to laws or the present Bylaws and unless they are the functions of the management bodies of the Bank by their essence. The General Meeting shall not delegate the issues attached to its competence for other bodies the Bank to decide.
- 6.5. The General Meeting may take decisions and shall be deemed valid if attended by the shareholders whose shares grant more

- than 1/2 of all the votes. The quorum shall be established on the basis of the data recorded in the shareholders' registration list. At the beginning of the General Meeting the Chairman of the Meeting shall announce whether the quorum is present. After the presence of the quorum has been established, the quorum shall be deemed to remain continuously throughout the General Meeting. If the quorum is not present, the adjourned General Meeting shall be convened, and such adjourned meeting shall be authorised to take decisions only on the issues on the agenda of the General Meeting that has not been held. The quorum requirement shall not apply to the adjourned General Meeting.
- 6.6. If any shareholder is not authorised to vote in taking the decision on a specific issue in the events stipulated in laws, the results of the voting on this specific issue shall be determined on the basis of the number of the votes held by the shareholders participating in the General Meeting and having the right to vote on this specific issue.
  - 6.7. The shareholders participating in the General Meeting shall be registered in the shareholders' registration list. The shareholders' registration list shall contain the number of votes granted by the shares held by each shareholder. The registration of the shareholders shall be arranged by the President or the person duly authorised to this extent thereby, while the shareholders' registration list shall be signed by the Chairman and the Secretary of the General Meeting. Where no Secretary of the General Meeting is elected, the list shall be signed by the Chairman of the General Meeting. Where all shareholders participating in the General Meeting have voted in writing, the list shall be signed by the President.
  - 6.8. Any person participating in the General Meeting and having the right to vote shall produce a document which is a proof of his personal identity. Any such person who is not a shareholder shall additionally produce a document certifying his right to vote at the General Meeting. The provisions of the present paragraph shall not apply if the voting is held in writing.
  - 6.9. The decision of the General Meeting shall be deemed taken if more votes of the shareholders have been cast for it than against it, unless laws or the Bylaws of the Bank prescribe a larger majority. If a shareholder registered in the shareholders' registration list with his votes included in the quorum does not participate in the voting, he shall be deemed to have not voted.
  - 6.10. The decisions of the General Meeting on the issues stipulated in Paragraphs 6.3.1, 6.3.6, 6.3.7.1, 6.3.7.3-6.3.7.7, 6.3.7.9-6.3.7.11 hereof shall be taken by the qualified majority of at least 2/3 of the votes granted by the shares held by the shareholders participating in the General Meeting. The decisions of the General Meeting on the issue specified in Paragraph 6.3.7.2 hereof shall be taken by the qualified majority of at least 3/4 of the votes granted by the shares held by the shareholders participating in the General Meeting and having the right to vote on the issue.
  - 6.11. Voting at the General Meeting shall be open. Where at least one shareholder requests a secret vote to be cast on any issue and he/she is supported by the shareholders whose shares grant at least 1/10 of the votes at the General Meeting, the secret voting on the issue shall be mandatory to all the shareholders. Any shareholder may cast his vote in writing by filling in a ballot paper. If the shareholder exercises his right to cast his vote in writing, upon scrutiny of the agenda and draft decisions of the General Meeting, he shall fill in and submit the Bank a general ballot paper notifying the General Meeting whether he/she is "for" or "against" each decision. The shareholders who have cast their votes in writing in advance shall be deemed to participate in the General Meeting and their votes shall be included in the quorum of the General Meeting and in the voting results. The general ballot papers of the General Meeting which has not been held shall be valid at the adjourned General Meeting. The shareholder shall not vote at the General Meeting on the decision on the issue in respect whereof he has expressed his will in advance in writing.
  - 6.12. The right of initiative to convene the General Meeting shall be vested in the Supervisory Council, the Management Board and the shareholders whose shares grant at least 1/10 of all the votes.
  - 6.13. The General Meeting shall be convened by the decision of the Management Board. The General Meeting shall be convened by the decision of the President when the number of the Management Board Members is not more than half of their number stipulated herein or the Management Board fails to convene the General Meeting in the events and within the terms stipulated herein.
  - 6.14. If the Management Board or, in the events referred to in Paragraph 6.13 hereof, the President fails to take the decision to convene the General Meeting within 10 days from the receipt of the request of the initiators of the General Meeting, the General Meeting may be convened by the decision of the shareholders whose shares grant more than 1/2 of all votes.
  - 6.15. The General Meeting may be annual or extraordinary.
  - 6.16. The annual General Meeting shall be convened on an annual basis within four months from the end of the financial year.
  - 6.17. The extraordinary General Meeting shall be convened in the following events:
    - 6.17.1. The number of the Supervisory Council Members has fallen below 2/3 of their number stipulated herein or has become less than the minimum number prescribed in laws;
    - 6.17.2. The Bank's own capital has fallen below 1/2 of the authorised capital stipulated herein and the issue has not been discussed at the annual General Meeting;
    - 6.17.3. The audit company has terminated the contract with the Bank or is not able to audit the set of annual financial statements of the Bank due to any other reasons;
    - 6.17.4. The shareholders having the right of initiative to convene the General Meeting, the Supervisory Council or the Management Board has requested so.
    - 6.17.5. The supervisory authority has requested so;
    - 6.17.6. The decisions on other issues attached to the competence of the General Meeting have to be taken;
    - 6.17.7. It is required by laws.
  - 6.18. The body of the Bank, the persons or the institution which has taken the decision to convene the General Meeting shall provide the Bank with the information and documents required for drafting of the notice on the convening of the General Meeting. The

President shall publish the notice on the convening of the General Meeting in the daily "Lietuvos rytas" or shall deliver it to each shareholder against acknowledgement of the receipt or send it by a registered letter no later than 30 days prior to the date of the General Meeting. The registered letter shall be sent at the last address of a shareholder stipulated thereby. Where an adjourned General Meeting is convened, the shareholders shall be notified thereof in the manner prescribed in the present Paragraph above no later than 5 days prior to the date of the adjourned General Meeting. At the beginning of the General Meeting, the President shall inform the shareholders about the documents proving that the shareholders have been notified about the convening of the General Meeting thereof. These documents shall be attached to the Minutes of the General Meeting.

- 6.19. The notice on the convening of the General Meeting shall contain the information stipulated in laws.
- 6.20. The General Meeting may be convened in derogation of the time limits set in Paragraph 6.18 hereof subject to a written consent of all the shareholders whose shares grant voting rights.
- 6.21. The General Meeting shall not take decisions on any issues other than those included in the agenda unless all the shareholders whose shares grant voting rights participate in the meeting and none has cast his/her vote in writing. Should any General Meeting fail to be held, only the agenda thereof shall be valid for the adjourned General Meeting.
- 6.22. Where any changes have been made to the agenda of the General Meeting contained in the notice on the convening of the General Meeting, the shareholders must be notified of the changes to the agenda in the same manner in which they have been notified of the convening of the General Meeting no later than 10 days prior to the General Meeting.
- 6.23. Prior to the discussion of and voting on the issues on the agenda, the General Meeting shall resolve the procedural issues - elect the Chairman, the Secretary of the General Meeting, etc. The President shall act as the Chairman of the General Meeting until the General Meeting elects one. The General Meeting may elect no Secretary where less than 3 shareholders participate in the General Meeting. No Chairman and Secretary of the General Meeting shall be elected where all shareholders participating in the General Meeting have cast their votes in writing.
- 6.24. The course of the General Meeting, the voting results, the decisions and other important circumstances of the General Meeting shall be minuted.
- 6.25. The Minutes of the General Meeting shall be signed by the Chairman and the Secretary of the General Meeting; in addition, they may also be signed by the persons authorised to this effect by the General Meeting. Where no Secretary of the General Meeting has been elected, the Minutes shall be signed by the Chairman of the General Meeting. Where all the shareholders participating in the General Meeting have cast their votes in writing, the President shall draft the Minutes on the basis of the votes cast and sign them. The Minutes shall be drafted and signed within 7 days after the date of the General Meeting.
- 6.26. The following documents shall be attached to the Minutes: the registration list of the shareholders who have participated in the General Meeting; the proxies and other documents certifying the persons' voting right; the general ballot papers of the shareholders who have voted in advance in writing; the documents proving that the shareholders have been notified of the convening of the General Meeting; the comments on the Minutes of the General Meeting and the conclusion on the comments given by the persons who have signed the Minutes.

## **Section 7. The Supervisory Council of the Bank**

- 7.1. The Supervisory Council of the Bank shall be a collegial supervisory body supervising the operation of the Bank. The Chairman of the Supervisory Council shall be in charge of the Supervisory Council. The General Meeting shall elect 5 Members of the Supervisory Council. At such election, every shareholder shall have the number of votes equal to the number of the votes granted by his/her shares multiplied by the number of the Supervisory Council Members to be elected. These votes shall be cast, at the shareholders' sole discretion, for one or for several candidates. The candidates who receive the greatest number of votes shall be elected. Should the number of the candidates who have received an equal number of votes be greater than the number of the vacancies on the Supervisory Council, a repeat voting shall be held, and in such voting each shareholder shall vote only for one of the candidates who have received the equal number of votes. The Supervisory Council shall be elected for the period of four years.
- 7.2. Only a legally capable natural person shall be eligible for the membership in the Supervisory Council. A new Member of the Supervisory Council may be elected by the General Meeting in the general procedure for the period remaining until the expiry of the term of office of the current Supervisory Council.
- 7.3. The following persons shall not be eligible for the membership in the Supervisory Council:
  - 7.3.1. A Chief Executive Officer of the Bank;
  - 7.3.2. A Member of the Management Board of the Bank;
  - 7.3.3. A person who has no right to serve in this office under legal acts.
- 7.4. The Supervisory Council Member may be re-elected for another term of office. The number of such terms of office shall be unlimited. The Supervisory Council Member may resign from the office prior to the expiry of the term of office subject to a written notice thereof to the Bank at least 14 days in advance. The Supervisory Council Members may be paid bonuses for their work on the Supervisory Council in the procedure prescribed in laws. The Supervisory Council Members shall not delegate their duties to any other persons.
- 7.5. The Supervisory Council or the Supervisory Council Members shall start working upon the end of the General Meeting which has elected the Supervisory Council or the Supervisory Council Members, and shall perform their functions for the period of time stipulated in Paragraph 7.1 hereof or until a new Council is elected, however, no longer than until the annual General Meeting to be held in the year of the expiry of the term of office of the Supervisory Council.
- 7.6. The first meeting of the Supervisory Council shall be convened and the agenda thereof shall be proposed by the Member of the

- Supervisory Council appointed by the General Meeting. Further meetings shall be convened by the Chairman of the Supervisory Council. The meetings of the Supervisory Council may also be convened by the decision of at least 1/3 of the Supervisory Council Members. The meetings of the Supervisory Council shall be convened in the procedure established in the Regulations of the Supervisory Council.
- 7.7. The Chairman of the Supervisory Council shall be elected by the Supervisory Council from the Supervisory Council Members.
  - 7.8. The Supervisory Council shall work in accordance with the regulations approved thereby. All the Supervisory Council Members shall have equal rights.
  - 7.9. The meeting of the Supervisory Council shall be deemed held and the Supervisory Council may take decision therein when more than 1/2 of the Supervisory Council Members participate in the meeting of the Supervisory Council. The Supervisory Council Members who have voted in advance shall be deemed to have participated in the meeting.
  - 7.10. The decision of the Supervisory Council shall be deemed taken when there are more votes for it than against it. The resolution of the Supervisory Council Member to remove a Member of the Management Board shall be subject to the majority of at least 2/3 of the votes of the Supervisory Council Members participating in the meeting. If any Member of the Supervisory Council is not able to participate in the meeting, he/she may express his/her will to vote for or against the discussed decision, upon scrutiny of the draft thereof, in writing. The decisions of the Supervisory Council may also be taken by circulation of the voting ballot among the Supervisory Council Members if none of the Supervisory Council Members objects to such procedure. Each Member of the Supervisory Council shall have one vote. In the event of a tie vote, the Chairman of the Supervisory Council shall have the casting vote. Should, in case of a tie vote, the Chairman of the Supervisory Council not participate in the meeting or not participate in the voting on the decision, the decision shall be deemed not taken. The voting by electronic means of communication shall be equivalent to the voting in writing provided that the security of transmitted information is guaranteed and there is the possibility to establish the voter's identity.
  - 7.11. The meetings of the Supervisory Council shall be minuted in the procedure prescribed in laws. The written Minutes of the meeting of the Supervisory Council shall be provided to all the Supervisory Council Members, including the ones who have not participated in the meeting, for review within 5 days, and if this is not possible, as soon as it is possible. Every member of the Supervisory Council of the Bank shall acknowledge to have reviewed the Minutes of the meeting of the Supervisory Council of the Bank in writing, and in case of disagreement with the decisions taken, shall immediately express an objection to the Supervisory Council in writing.
  - 7.12. The Supervisory Council shall act as follows:
    - 7.12.1. Elect the Management Board Members and remove them from the office, make proposals to the Management Board with regard to the candidate Chairman of the Management Board. Establishment of the salaries and other terms and conditions of the respective employment contracts of the Management Board Members holding other offices in the Bank, the President and the Executive Vice Presidents shall be subject to obtaining of the prior consent of the Supervisory Council. If operation of the Bank generates losses, the Supervisory Council shall consider whether the Management Board Members are suitable to hold the office;
    - 7.12.2. Supervise the work of the Management Board and the President;
    - 7.12.3. Approve the Regulations of the Supervisory Council;
    - 7.12.4. Approve the business plans of the Bank;
    - 7.12.5. Ensure the existence of the effective internal control system in the Bank;
    - 7.12.6. Make the proposals and comments to the General Meeting on the Bank's strategy, the set of the Bank's annual financial statements, the draft profit (loss) distribution and the Bank's annual report as well as on the performance of the Management Board and the President;
    - 7.12.7. Approve the lending policy and establish the procedure for the lending which is subject to the approval of the Supervisory Council;
    - 7.12.8. Submit the proposals to the Management Board and the President to revoke their decisions which contradict laws and other legal acts, the present Bylaws or the decisions of the General Meeting;
    - 7.12.9. Establish the transactions and the decisions which are subject to obtaining of the consent of the Supervisory Council prior to the conclusion or implementation thereof by the management bodies of the Bank;
    - 7.12.10. Take the decisions on the issues within the competence of the Supervisory Council under the procedures, the approval whereof are delegated to the Supervisory Council under laws, the present Bylaws and the decisions of the General Meeting;
    - 7.12.11. Discuss or resolve other issues which under laws, the present Bylaws and the decisions of the General Meeting shall be discussed and resolved by the Supervisory Council.
  - 7.13. Each Member of the Supervisory Council shall take all possible measures for the Supervisory Council to resolve the issues within the competence thereof and for the decisions to comply with the requirements stipulated in legal acts. The Supervisory Council Member who fails to perform this duty or any other duties stipulated in legal acts or fails to perform them duly shall bear the liability born by the members of the management bodies of the Bank under laws, the Bylaws of the Bank and the contracts concluded with the Bank.
  - 7.14. The Supervisory Council shall not assign or delegate the functions attached to the competence thereof by laws or the Bylaws of the Bank to any other bodies of the Bank.
  - 7.15. The Supervisory Council shall have the right to request from the Management Board and the President to submit the documents related to the business of the Bank.

## **Section 8. The Management Board of the Bank**

- 8.1. The Management Board shall be a collegial management body of the Bank consisting of 5 Members. It shall manage the Bank, handle the affairs thereof and represent it, and shall bear the liability for the performance of financial services according to laws.
- 8.2. The working procedure of the Management Board shall be established in the Regulations of the Management Board.
- 8.3. The Management Board shall be elected by the Supervisory Council for 4 years. Where individual Members of the Management Board are elected, they shall be elected for the period remaining until the expiry of the term of office of the current Management Board.
- 8.4. Only a legally capable natural person shall be eligible for the membership in the Management Board. There is no limitation on the number of terms of office a Member of the Management Board may serve. The Supervisory Council Member of the Bank shall not be eligible for the Membership in the Management Board. A person who has no right to serve in this office under legal acts shall not be eligible for the membership in the Management Board either.
- 8.5. The Management Board shall elect the Chairman of the Management Board from the Management Board Members. The Management Board Members may be paid bonuses for the work on the Management Board in the procedure prescribed in laws.
- 8.6. The Management Board Members shall not delegate their duties to other persons.
- 8.7. A Member of the Management Board may resign from his/her office prior to the expiry of the term of office subject to a written notice thereof to the Bank at least 14 days in advance.
- 8.8. The meetings of the Management Board shall be convened regularly at least once per month. The meetings of the Management Board shall be convened by the Chairman of the Management Board. Each Member of the Management Board shall have the right of initiative to convene a meeting of the Management Board.
- 8.9. Any meeting of the Management Board shall be deemed held and the Management Board may take decision therein when 2/3 and more of the Management Board Members participate in the meeting of the Management Board. Any Member of the Management Board may express his/her will to vote for or against the discussed decision, upon scrutiny of the draft thereof, by a written vote in advance. The Management Board Members who have voted in advance shall be deemed to participate in the meeting. The decision of the Management Board shall be adopted when the votes for it exceed the votes against it. Decisions of the Management Board may also be taken by circulation of the voting ballot among the Management Board Members if none of the Management Board Members objects to such procedure. Each Member of the Management Board shall have one vote. In the event of a tie vote, the Chairman of the Management Board shall have the casting vote. Should, in case of a tie vote, the Chairman of the Management Board not participate in the meeting or not participate in the voting on the decision, the decision shall be deemed not taken. The voting by means of electronic communication shall be equivalent to the voting in writing provided that the security of transmitted information is guaranteed and there is the possibility to establish the voter's identity. The Management Board Member shall have no right to vote on the issue related to his/her work on the Management Board or the issue of his/her liability.
- 8.10. The Management Board shall discuss and approve as follows:
  - 8.10.1. The management structure of the Bank and the job positions; the positions to be filled in by the way of competition;
  - 8.10.2. The regulations of the branches, representative offices and other individual outlets of the Bank;
  - 8.10.3. The lending procedure of the Bank, in accordance with the lending policy approved by the Supervisory Council;
  - 8.10.4. The Bank's procedure for issuing of guarantees and sureties and assuming of other obligations;
  - 8.10.5. The procedure for writing off of loans and other debt obligations;
- 8.11. The Management Board shall elect (appoint) and remove the President and the Executive Vice Presidents. The Management Board shall establish the salary of the President and other terms and conditions of his employment contract, approve his job description, apply incentives to or impose penalties on him.
- 8.12. The Management Board shall determine what information shall be deemed to be a commercial secret.
- 8.13. The Management Board shall adopt as follows:
  - 8.13.1. The decisions for the Bank to become a founder, a member of other legal persons;
  - 8.13.2. The decisions to establish branches, representative offices and other individual outlets of the Bank and to terminate their operation;
  - 8.13.3. The decisions on the investment, transfer, lease of the fixed assets at the book value above 1/20 of the authorised capital of the Bank (per each type of transaction);
  - 8.13.4. The decisions on the pledge and mortgage of the fixed assets at the book value above 1/20 of the authorised capital of the Bank (in the aggregate amount);
  - 8.13.5. The decisions on the issuing of guarantees or sureties for the fulfilment of the obligations of other persons in the amount above 1/20 of the authorised capital of the Bank;
  - 8.13.6. The decisions on the acquisition of the fixed assets for the price above 1/20 of the authorised capital of the Bank;
  - 8.13.7. The decisions on the issuing of non-convertible bonds;
  - 8.13.8. The Regulations of the Management Board;
  - 8.13.9. The decisions on other issues which shall be discussed or resolved by the Management Board under laws and the Bylaws of the Bank.
- 8.14. The Management Board shall establish as follows:
  - 8.14.1. The terms and conditions of the share issue of the Bank;
  - 8.14.2. The procedure for the issuing of bonds of the Bank. Where the General Meeting takes the decision on the issuing of



the convertible bonds, the Management Board shall have the right to establish additional terms and conditions of their issuing and to approve the bond subscription agreements to be signed by the President or the persons duly authorised thereby;

- 8.14.3. The procedure for the recruitment of employees by the Bank and the events when recruitment of employees by the Bank shall be subject to the consent of the Management Board.
- 8.15. The Management Board shall implement the decisions taken by the General Meeting and the Supervisory Council.
- 8.16. The Management Board shall analyse and assess the information submitted by the President on the following issues:
  - 8.16.1. The implementation of the business strategy of the Bank;
  - 8.16.2. The organisation of the business of the Bank;
  - 8.16.3. The financial state of the Bank;
  - 8.16.4. The results of the business activities, the income and expenditure estimates, the stocktaking data and other accounting data of the changes in the assets.
- 8.17. The Management Board shall analyse and assess the draft set of annual financial statements of the Bank and the draft profit (loss) distribution, and shall submit them to the Supervisory Council and the General Meeting. The Management Board shall establish the methodology for the calculation of the depreciation of the tangible assets and the amortization of the intangible assets to be applied in the Bank.
- 8.18. The Management Board shall also discuss other issues related to the business of the Bank unless they are within the competence of other bodies of the Bank under laws or the present Bylaws.
- 8.19. The Management Board shall be responsible for the convening and arrangement of the General Meetings in due time.
- 8.20. The Management Board shall provide the Supervisory Council with the documents related to the business of the Bank requested thereby.
- 8.21. The meetings of the Management Board shall be minuted in the procedure prescribed in laws. The written Minutes of the meeting of the Management Board shall be provided to all the Management Board Members, including the ones who have not participated in the meeting, for review within 5 days, and if this is not possible, as soon as it is possible. The Management Board Member shall acknowledge to have reviewed the Minutes of the meeting of the Management Board in writing and in case of disagreement with the decisions taken, shall immediately express an objection to the Management Board in writing.
- 8.22. The Management Board shall perform the functions for the period of time stipulated herein or until a new Management Board is elected and starts working, however, no longer than until the annual General Meeting to be held in the year of the expiry of the term of office of the Management Board. The Supervisory Council may remove the Management Board or any Member thereof prior to the expiry of the term of office.
- 8.23. The Chairman of the Management Board shall be in charge of the work of the Management Board, convene the meetings of the Management Board, perform other functions stipulated in the Regulations of the Management Board.
- 8.24. The Chairman of the Management Board shall also simultaneously hold the office of the President. Any other Member of the Management Board may also simultaneously hold the office of the Executive Vice President. When the Chairman of the Management Board or any other Member of the Management Board holds office of the President or the Executive Vice President and function as the President or the Executive Vice President, they shall be referred to as the President or the Executive Vice President. The Management Board Members may also hold other offices in the Bank under the contracts concluded with them.
- 8.25. Each Member of the Management Board shall take all possible measures for the Management Board to resolve the issues within the competence thereof and for the decisions to comply with the requirements stipulated in legal acts. The Management Board Member who fails to perform this duty or any other duties stipulated in legal acts or fails to perform them duly shall bear the liability under laws, the Bylaws of the Bank and the contracts concluded with the Bank.

## **Section 9. Chief Executive Officer of the Bank**

- 9.1. The President shall be a single person management body of the Bank. The President shall have at least one Executive Vice President (hereinafter the President and the Executive Vice President are referred to as the Executive Officers).
- 9.2. The President and the Executive Vice President shall be a natural person. A person who has no right to serve in this office under laws or other legal acts shall not be eligible for the President and the Executive Vice President. The Chairman of the Management Board shall be the President.
- 9.3. The President and the Executive Vice President shall work under employment contracts. The employment contract with the President shall be signed, on behalf of the Bank, by the Member of the Management Board duly authorised to this extent by the Management Board. The employment contract with the Executive Vice President shall be signed, on behalf of the Bank, by the President. The President shall establish the salary of the Executive Vice President and other terms and conditions of the employment contract subject to obtaining of the prior consent of the Supervisory Council. Upon the decision of the Management Board to remove the President or the Executive Vice President, the employment contract concluded with him/her shall be terminated.
- 9.4. The President shall act as follows:
  - 9.4.1. Organise the daily operation of the Bank;
  - 9.4.2. Hire and dismiss the employees of the Bank, conclude and terminate the employment contracts with them, apply incentives to and impose penalties on them. The President shall have the right to authorise any other employee of the

- Bank to perform the actions stipulated in the present Paragraph above;
- 9.4.3. Establish the rates applied in the calculation of the depreciation of the assets in the Bank;
  - 9.4.4. Represent the Bank in the relations with other persons, the court and the arbitration without a special power of attorney;
  - 9.4.5. Issue and revoke the powers of attorney and powers of procurator of the Bank;
  - 9.4.6. Issue orders;
  - 9.4.7. Perform any other actions necessary to perform his functions, to implement the decisions of the bodies of the Bank and to ensure of the operation of the Bank.
- 9.5. The President shall be responsible as follows:
- 9.5.1. For the organisation of the operation and the realisation of the objectives of the Bank;
  - 9.5.2. For the drawing up a set of annual financial statements;
  - 9.5.3. For the conclusion of the contract with the audit company;
  - 9.5.4. For the submission of the information and documents to the General Meeting, the Supervisory Council and the Management Board in the events stipulated in laws or upon their request;
  - 9.5.5. For the submission of the documents and particulars to the administrator of the register of legal persons;
  - 9.5.6. For the submission of the documents to the Securities Commission and the Central Securities Depository of Lithuania;
  - 9.5.7. For the publishing of the information stipulated in laws and other legal acts in the daily stipulated herein;
  - 9.5.8. For the submission of the information to the shareholders;
  - 9.5.9. Implementation of the provisions of the Law on Money Laundering Prevention;
  - 9.5.10. For the performance of other duties stipulated in laws and legal acts, the present Bylaws and the job description of the President.
- 9.6. The President shall act on behalf of the Bank and shall have the right to conclude transactions at his own discretion save for the exceptions stipulated herein or in the decisions of the bodies of the Bank.
- 9.7. The subordinated loan agreements and the transactions specified in Paragraphs 8.13.3-8.13.6 hereof shall be concluded by the President and the Executive Vice President, in the joint action and judgement, provided there is a decision of the Management Board to conclude these transactions. Where under the procedures of the Bank and the decisions of the Supervisory Council the transactions referred to in the present Paragraph above are subject to the obtaining of the consent of the Supervisory Council, the President and the Executive Vice President shall obtain the consent of the Supervisory Council prior to conclusion of such transactions.
- 9.8. The Executive Officers of the Bank who fail to perform the duties stipulated in legal acts or the Bylaws of the Bank or fail to perform them duly shall bear the liability under laws, the Bylaws of the Bank and the contracts concluded with the Bank. The liability of other employees of the Bank for the losses suffered by the Bank through their fault shall be established in the laws of the Republic of Lithuania.

**Section 10. The Procedure for the Adoption of the Decisions on the Establishment of the Branches, Representative Offices and Other Individual Outlets of the Bank and on the Termination of Their Operation, the Procedure for the Appointment of the Managers of the Branches and Representative Offices of the Bank**

- 10.1. The Bank shall have the right to establish branches and representative offices in the Republic of Lithuania.
- 10.2. The Bank shall also have the right to establish other individual outlets of the Bank which provide the financial services.
- 10.3. The decisions on the establishment, merger and termination of the operation of the branches, representative offices and other individual outlets of the Bank shall be taken by the Management Board. They shall operate in accordance with the laws, other legal acts, the Bylaws of the Bank and the Regulations approved by the Management Board.
- 10.4. The Bank may establish individual working places and automated points of sale subordinate to the Bank, a branch or any other individual outlet of the Bank in a location the same as or other than the Head Office, the branch or any other individual outlet of the Bank for provision of one or more financial services. The decision on the establishment of individual working places and automated points of sale, termination of the operation and approval of the Regulations thereof (if any) shall be made by the Management Board or a person duly authorised thereby to such extent.
- 10.5. The Management Board shall establish the procedure for appointment of managers of the branches and representative offices of the Bank and shall approve the candidate managers of the branches and representative offices of the Bank nominated by the President.
- 10.6. The branches, representative offices and other individual outlets of the Bank may have their seals.
- 10.7. The transactions made (financial services provided) by the branches and other individual outlets of the Bank including customer self service centres, individual working places and automated points of sale shall be included in the balance sheet of the Bank.

**Section 11. Committees of the Bank**

- 11.1. The Bank shall have the following non-structural units functioning on a permanent basis: the Audit and Compliance Committee, the Remuneration Committee, the Nomination Committee, and the Risk Committee. The functions thereof shall be stipulated in the regulations of the committees and the legal acts of the Republic of Lithuania.
- 11.2. The Audit and Compliance Committee, the Remuneration Committee, the Nomination Committee, and the Risk Committee shall be established, the competence and the working procedure thereof shall be determined, the regulations thereof shall be approved and the work thereof shall be controlled by the Supervisory Council of the Bank in accordance with the laws and the

legal acts of the supervisory authority.

11.3. The Bank may also have other committees stipulated in the internal documents of the Bank.

#### **Section 12. Internal Control of the Operation of the Bank**

12.1. The requirements for the internal control of the operation of the Bank shall be stipulated in laws and the legal acts of the supervisory authority. The internal control of the operation of the Bank shall be ensured by the sound and effective internal control system and an independent and effective internal audit service. The head of the internal audit service shall be in charge of the internal audit service. Only natural persons shall be eligible for the head of the internal audit service.

12.2. The internal audit service shall be the internal audit unit which shall act as follows: provide the opinion on the quality of the policies and procedures of the Bank and the compliance therewith, consider and make the assessment of the suitability and effectiveness of the internal control system and the application of the individual internal control procedures, check the compliance of the risk assumed with the risk limits set in the Bank, make the special audits in line with the regulations of the internal audit unit, and perform other functions stipulated in the regulations thereof. The functions, the establishment and working procedures of the internal audit service shall be determined by the Audit and Compliance Committee.

#### **Section 13. Notification Procedure**

13.1. The notices of the Bank shall be published and distributed by the President in accordance with the documents and the information provided thereto. The notices that, in the events stipulated in laws and other legal acts, have to be published in the press, shall be published in the daily "Lietuvos Rytas". The notices may also be delivered to the addressee against the acknowledgement of the receipt or sent to him/her by post (including the registered mail). Where laws or other legal acts prescribe a specific manner for the notification, the respective notices shall be published in the manner prescribed therein.

13.2. In the events stipulated in laws or herein, notices may be sent by communication means (such as a written, facsimile, e-mail message, etc.).

#### **Section . Final Provisions**

14.1. The present Bylaws shall come into force after their registration with the Register of Legal Persons in the procedure stipulated in laws and other legal acts.

14.2. Any amendments hereto shall come into force after their registration with the Register of Legal Persons in the procedure stipulated in laws and other legal acts.

*/Signature/ Žygimantas Stankevičius*

Person authorised by the shareholder

Date of signing: 2<sup>nd</sup> of October 2017

*/Seal: Republic of Lithuania  
Notary Public Mindaugas Kačergis/*

*/Stamp: Bound and sealed  
with the notary's seal 10 pages*

**Notary Public/**

*/Signature/*

