



NOTARY OF TALLINN ROBERT KIMMEL

Notary's Official Procedures Book registry no.: 2224

CROSS-BORDER MERGER AGREEMENT

This notarised act has been made and certified by Notary of Tallinn Robert Kimmel in Notary Office in Tallinn, at R vala pst 3 / Kuke tn 2 on the twenty ninth of March in the year two thousand eighteen (29.03.2018). Parties in the notarised act are

Luminor Bank AS, a public limited company, the data on which is collected and kept by the Commercial Register of the Republic of Estonia, register code 11315936, with its registered office at Liivalaia tn 45, Tallinn 10145, the Republic of Estonia, e-mail address info@luminor.ee, hereinafter referred to as **Acquiring Company**, represented under power of attorney appended to the notarised act by [REDACTED], personal code [REDACTED], who is personally known to the notary, who represents that he has all necessary consents to conclude this agreement on the terms set herein,

Luminor Bank AS, a public limited company, the data on which is collected and kept by the Commercial Register of the Republic of Latvia, Latvian register code 40003024725, with its registered office at Skanstes iela 12, Riga LV-1013, the Republic of Latvia, e-mail address info@luminor.lv, hereinafter referred to as **Company Being Acquired I**, which is established and operates under Latvian law, represented under power of attorney appended to the notarised act by [REDACTED], personal code [REDACTED], identity established against PPA database, who represents that she has all necessary consents to conclude this agreement on the terms set herein,

Luminor Bank AB, a public limited company, the data on which is collected and kept by the Register of Legal Persons of the Republic of Lithuania, Lithuanian register code 112029270, with its registered office at Konstitucijos pr. 21A, Vilnius LT-03601, the Republic of Lithuania, e-mail address info@luminor.lt, hereinafter referred to as **Company Being Acquired II**, which is established and operates under Lithuanian law, represented under power of attorney appended to the notarised act by [REDACTED], personal code [REDACTED], who is personally known to the notary, who represents that she has all necessary consents to conclude this agreement on the terms set herein,

the legal capacity of the Parties and the authority of the individuals signing this notarised act has been verified by Notary of Tallinn Robert Kimmel,

Company Being Acquired I and Company Being Acquired II hereinafter together also

referred to as **Companies Being Acquired**,

who are making an agreement as follows:

1. ACQUIRING COMPANY

- 1.1.** Acquiring Company is Luminor Bank AS, a public limited company (in Estonian: aktsiaselts), the data on which is collected and kept by the Commercial Register of the Republic of Estonia, register code 11315936, with its registered office at Liivalaia tn 45, Tallinn 10145, the Republic of Estonia, with a share capital in the amount of nine million three hundred seventy six thousand five hundred and thirty (9,376,530) euro, divided into nine hundred and thirty seven thousand six hundred and fifty three (937,653) shares each with the nominal value of ten (10) euro. Registered Articles of Association of the Acquiring Company are appended to this notarised act (Appendix no 1).
- 1.2.** According to the list of shareholders issued by the Nasdaq CSD SE, Latvian register code 40003242879, the sole shareholder of the Acquiring Company is LUMINOR GROUP AB, Swedish register code 559072-8316. The list of shareholders does not carry a note about pledging or encumbering otherwise of the shares belonging to LUMINOR GROUP AB.

2. COMPANIES BEING ACQUIRED

- 2.1.** Company Being Acquired I is Luminor Bank AS, a public limited company (in Latvian: akciju sabiedrība), the data of which is collected and kept by Latvian Commercial Register, Latvian register code 40003024725, with its registered office at Skanstes iela 12, Riga LV-1013, the Republic of Latvia, with a share capital in the amount of one hundred and ninety one million one hundred and seventy eight thousand three hundred and thirty seven (191,178,337) euro, divided into one hundred and ninety one million one hundred and seventy eight thousand three hundred and thirty seven (191,178,337) shares each with a nominal value of one (1) euro.
- 2.2.** According to the copy of the shareholders register of the Company Being Acquired I certified by the chairman of the management Board and member of the management Board, the sole shareholder of the Company Being Acquired I is LUMINOR GROUP AB, Swedish register code 559072-8316, holding one hundred (100) per cent of share capital as set out above and the shares are not encumbered with the rights of third parties. The Commercial Pledge Register maintained by the Enterprise Register of Latvia does not carry a note about pledging or encumbering otherwise of the shares belonging to LUMINOR GROUP AB.
- 2.3.** To date of this agreement, there are in total of two hundred and sixty million eight hundred and ninety thousand eight hundred and fifty eight (260,890,858) euro of contributions made for the shares of the Company Being Acquired I, of which one hundred and ninety one million one hundred and seventy eight thousand and three hundred and thirty seven (191,178,337) euro is recognised as a share capital and sixty nine million seven hundred and twelve thousand five hundred and twenty one (69,712,521) euro is recognised as a share premium of the Company Being Acquired I.

- 2.4. Company Being Acquired II is Luminor Bank AB, a public limited company (in Lithuanian: akcinė bendrovė), the data on which is collected and kept by the Register of Legal Persons of the Republic of Lithuania, Lithuanian register code 112029270, with its registered office at Konstitucijos pr. 21A, Vilnius LT-03601, the Republic of Lithuania, with a share capital in the amount of one hundred and ninety million two hundred and four thousand five hundred and sixty three point fifty four (190,204,563.54) euro, divided into five million seven hundred ten thousand one hundred and thirty four (5,710,134) shares each with the nominal value of thirty three euro and thirty one euro cent (33,31).
- 2.5. According to the extract from the personal securities accounts issued by the manager of securities accounts of the Company Being Acquired II as well as the extract from the Register of Legal Persons of the Republic of Lithuania, the sole shareholder of the Company Being Acquired II is LUMINOR GROUP AB, Swedish register code 559072-8316. The extract from the personal securities accounts does not carry a note about pledging or encumbering otherwise of the shares belonging to LUMINOR GROUP AB.
- 2.6. To date of this agreement, there are in total of two hundred and seventy two million and one hundred and forty six thousand three hundred and eighteen point six (272,146,318.06) euro of contributions made for the shares of the Company Being Acquired II, of which one hundred and ninety million and two hundred and four thousand five hundred and sixty three point fifty four (190,204,563.54) euro is recognised as a share capital and eighty one million and nine hundred and forty one thousand seven hundred fifty-four point fifty two (81,941,754.52) euro is recognised as a share premium of the Company Being Acquired II.

3. REPRESENTATIONS

- 3.1. The parties hereby represent that at the time of signing of this agreement:
 - 3.1.1. The contributions for the shares of Companies Being Acquired have been completely paid in.
 - 3.1.2. There are no resolutions for changing the share capitals of the Acquiring Company and the Companies Being Acquired.
 - 3.1.3. There are no bankruptcy petition or resolutions for liquidations for any of the parties.
 - 3.1.4. The shares of the Company Being Acquired I and the shareholders of the Company Being Acquired I are recorded exclusively in the shareholders register held by the Management Board of the Company Being Acquired I in a paper form in accordance with the Commercial Law of the Republic of Latvia.
 - 3.1.5. The shares of the Company Being Acquired II are book-entry shares accounted in the personal securities accounts managed by the Company Being Acquired II.
 - 3.1.6. The Companies Being Acquired have not issued any shares of any class nor any other securities other than ordinary registered shares referred to in clause three one four (3.1.4) and three one five (3.1.5).
 - 3.1.7. There are no commercial pledges set on the Acquiring Company assets and property.
 - 3.1.8. There are no commercial pledges, contractual mortgages or pledges or any other similar encumbrances set on the Companies Being Acquired assets and property.
 - 3.1.9. The facts in clause one (1.) and two (2.) of this agreement have not changed.

3.1.10. They have recognised and acknowledged that within the course of the merger the acts and operations as set out in Appendix no 2 of this notarised act shall be conducted in Estonia by the Acquiring Company, the acts and operations as set out in Appendix no 3 of this notarised act shall be conducted in Latvia by the Company Being Acquired I, and the acts and operations as set out in Appendix no 4 of this notarised act shall be conducted in Lithuania by the Company Being Acquired II.

4. MERGER

- 4.1.** Cross-border merger of the Acquiring Company, Company Being Acquired I and Company Being Acquired II (hereinafter referred to as **Merger**) shall be performed by merging the Companies Being Acquired into the Acquiring Company. Acquiring Company shall become the legal successor of the Companies Being Acquired and the Companies Being Acquired shall be deemed to be dissolved without liquidation proceedings.
- 4.2.** Merger becomes effective from the moment when records on completion of the Merger are registered in the Commercial Register of the Republic of Estonia.
- 4.3.** The parties hereby agree to transfer all the assets, including all rights and liabilities, of the Companies Being Acquired to the Acquiring Company. The assets, including all rights and liabilities, of the Companies Being Acquired shall transfer to the Acquiring Company as of entry of the Merger on the registry card of the Acquiring Company in the Commercial Register of the Republic of Estonia.
- 4.4.** Acquisition of the registered assets shall be registered, if registration is necessary under mandatory provisions of the applicable laws. Such registration shall be performed as soon as practically possible after the entry of the Merger on the registry card of the Acquiring Company in the Commercial Register of the Republic of Estonia.
- 4.5.** Upon completion of the Merger, the Acquiring Company will act in Latvia and Lithuania through its branches to be established by the Acquiring Company prior to the completion of the Merger.
- 4.6.** Within the Merger process, the share capital of the Acquiring Company shall be increased and respective decisions shall be adopted. The shares are issued with a premium, so that the share capital of the Acquiring Company is increased in total by twenty five million five hundred and thirty five thousand seven hundred (25,535,700) euro and the remaining part of the value of the net assets transferred within the course of the Merger is recognised as a share premium, in minimum in the total amount of one billion two hundred twenty-five million six hundred twenty-nine thousand thirty-eight (1,225,629,038) euro.
- 4.7.** In exchange for the transfer of assets, including all rights and liabilities, of the Company Being Acquired I, the Acquiring Company issues one million seventy thousand six hundred and sixty two (1,070,662) shares with a total nominal value of ten million seven hundred and six thousand six hundred and twenty (10,706,620) euro, each having the nominal value of ten (10) euro, to the shareholder of the Company Being Acquired I. The shares are issued with a premium, so that the total payment for the shares equals to the market value of the net assets of the Company Being Acquired I, of which ten million seven hundred and six thousand six hundred and twenty (10,706,620) euro is recognised as a share capital and in minimum five hundred thirteen million eight

hundred eighty-two thousand one hundred eighteen (513,882,118) euro is recognised as a share premium of the Acquiring Company.

- 4.8. In exchange for the transfer of assets, including all rights and liabilities, of the Company Being Acquired II, the Acquiring Company issues one million four hundred eighty-two thousand nine hundred eight (1,482,908) shares with a total nominal value of fourteen million eight hundred twenty-nine thousand eighty (14,829,080) euro, each having the nominal value of ten (10) euro, to the shareholder of the Company Being Acquired II. The shares are issued with a premium, so that the total payment for the shares equals to the market value of the net assets of the Company Being Acquired II, of which fourteen million eight hundred twenty-nine thousand eighty (14,829,080) euro is recognised as a share capital and in minimum seven hundred eleven million seven hundred forty-six thousand nine hundred twenty (711,746,920) euro is recognised as a share premium of the Acquiring Company.
- 4.9. Whereas no difference in the price of shares occurs upon the share exchange, no additional payments are made to LUMINOR GROUP AB, Swedish register code 559072-8316.
- 4.10. As the sole shareholder of the Acquiring Company and Companies Being Acquired is LUMINOR GROUP AB, Swedish register code 559072-8316, then the share exchange ratio is 381,382,900.54 : 25,535,700. As a result of the Merger, LUMINOR GROUP AB, Swedish register code 559072-8316 remains to be the sole shareholder of the Acquiring Company, holding three million four hundred ninety-one thousand two hundred twenty-three (3,491,223) shares with a total nominal value of thirty-four million nine hundred twelve thousand two hundred thirty (34,912,230) euro, each having the nominal value of ten (10) euro.
- 4.11. The new shares issued in return for the transfer of assets of the Companies Being Acquired shall grant the right to a share of profit of the Acquiring Company as of entry of the Merger on the registry card of the Acquiring Company in the Commercial Register of the Republic of Estonia. There are no special conditions or specific performance rights affecting the right to receive a share of the profit.
- 4.12. The Acquiring Company will not grant any additional rights to the shareholder of the Companies Being Acquired, including the holders of preferred shares and convertible bonds of the Companies Being Acquired (if they exist).
- 4.13. Merger balance sheet date is the first of January in the year two thousand and eighteen (01.01.2018), from which date all transactions and operations are considered to be done in the name of the Acquiring Company.
- 4.14. The date of the financial statements used for determining the terms and conditions for the merger is thirty first of December in the year two thousand and seventeen (31.12.2017).
- 4.15. The transfer of the assets and liabilities of the Companies Being Acquired to the Acquiring Company will be carried out at the market value determined by an independent appraiser.
- 4.16. In case auditing of the Merger Agreement is required, the auditor auditing the Merger Agreement will be paid according to the service agreement with the auditor. The auditor shall not be granted any special rights or benefits in relation to the Merger.

5. CONSEQUENCES OF THE MERGER TO THE EMPLOYEES OF THE

COMPANIES

- 5.1. All rights and obligations arising from the employment contracts concluded with the employees of the Companies Being Acquired will transfer to the Acquiring Company and shall be continued pursuant to their prior provisions. In the process of Merger all employment contracts and duties shall continue in accordance with legislation and in accordance with terms of employment contracts.
- 5.2. Having evaluated that the employees of the Companies Being Acquired were not granted the right to participate in the management of the Companies Being Acquired, the employees shall not have the right to participate in the management of the Acquiring Company. Therefore, there is no necessity to establish herein the procedures that shall be used to determine the conditions for the employees' participation in the decision-making process of the Acquiring Company.

6. SPECIAL RIGHTS AND ADVANTAGES

- 6.1. No special rights or other rights shall be granted to the shareholders of Acquiring Company, Companies Being Acquired or to anyone else.
- 6.2. No special advantages shall be granted to administration, management or supervisory board members or controlling bodies of the Acquiring Company or Companies Being Acquired. The management board members or managing directors (as applicable) of the Acquiring Company and the Companies Being Acquired shall perform all actions required for the registration of the Merger.
- 6.3. The management board members, procurators and the supervisory board members of the Companies Being Acquired shall be considered as dismissed from their positions as of entering the Merger into the Commercial Register of the Republic of Estonia and shall continue to be employed under regular employment terms unless otherwise agreed with them and the Acquiring Company.

7. EXPLANATIONS OF THE CERTIFIER OF NOTARISED ACT GIVEN TO PARTIES

- 7.1. Rights and obligations shall arise from a merger agreement if the merger agreement is approved by all merging companies. A merger resolution shall be in writing.
- 7.2. The management boards of or the partners entitled to represent the merging companies shall prepare a written report (merger report) which shall explain and justify legally and economically the merger and merger agreement, including the share exchange ratio and amount of additional payments if additional payments are to be made. Difficulties relating to valuation shall be referred to separately in the report. Merging companies may prepare a joint merger report. If the acquiring company belongs to a group, the merger report shall also set out information necessary for the merger concerning the other companies belonging to the group. In the case of cross-border merger, the merger report shall also set out the effect of the merger on the employees and creditors of the public limited company or the private limited company. The report shall also include, as an annex, the opinion of the representative of the employees or the trade union if such opinion was provided at least one month prior to the meeting or general meeting

- which passed the resolution on the merger.
- 7.3. At least one month prior to the general meeting deciding on the merger, the management board shall submit the merger agreement to the registrar of the commercial register or disclose it on the homepage of the public limited company. Upon the disclosure of the merger agreement on the homepage of the public limited company, it shall be available to the public free of charge until the end of the general meeting. In addition, the management board shall publish in the official publication *Ametlikud Teadaanded* a notice concerning the entry into the merger agreement. The notice shall indicate where or at which homepage address it is possible to examine the merger agreement and other documents listed in Article 419 (1) of the Commercial Code and receive copies of these documents. Upon the disclosure of the merger agreement on the homepage of the public limited company, the notice shall also indicate the disclosure date of the merger agreement. In addition to the before mentioned should be added the type, business name and registered office of each merging company; the register in which the merger of each merging company has been registered and the number of the register entry and a reference that the merger agreement contains information concerning the protection of minority partners or shareholders and creditors
 - 7.4. In case of cross-border merger pursuant to subsection 433⁸ (1) of the Commercial Code, the merger agreement upon the disclosure thereof on the company's homepage or in the central recording system for information specified in subsection 184⁶ (5) of the Securities Market Act shall be available to the public free of charge for at least two months as of the disclosure of the notice in the official publication *Ametlikud Teadaanded*.
 - 7.5. Upon cross-border merger, an auditor shall audit the merger agreement. Upon cross-border merger, one or several common auditors may be appointed to several or all of the companies being acquired. A common auditor or auditors shall be appointed only by or with permission of a court or administrative agency of the Contracting State under whose jurisdiction one of companies being acquired or the acquiring company falls.
 - 7.6. At least one month before the meeting or general meeting which decides on the merger, the partners or shareholders shall be granted an opportunity to examine the merger agreement, merger report and auditor's opinion. The merger report shall be made available to the representative of the employees or trade union of the company or, in the absence thereof, to the employees of the company at least one month prior to the meeting or general meeting which decides on the merger.
 - 7.7. The management board of or the partners entitled to represent a merging company shall submit, nor earlier than after one month of the approval of the merger resolution, a petition for entry of the merger in the commercial register of the registered office of the company. The following shall be appended to the petition: 1) a notarised copy of the merger agreement; 2) the merger resolution; 3) the minutes of the meeting of the partners or shareholders if the merger resolution is made at a meeting; 4) the permission for merger, if required; 5) the merger report; 6) the auditor's report; 7) the final balance sheet of the company being acquired if the company being acquired submits the petition; 8) decision of the Competition Board to grant permission for a concentration if the obligation to request such permission arises from the Competition Act; 9) if the shares of a merging company are registered in the Estonian Central Register of Securities, the confirmation of the registrar of the Estonian Central Register of

Securities that the management board of the merging company has informed the registrar of the merger; 10) the interim balance sheet or the agreements not to prepare one. In addition to the above, the members of the management board shall confirm, in the application, that the creditors of the company have been given a security pursuant to § 433⁸ of Commercial Code.

- 7.8. A merger report and a final balance sheet which meets the requirements for annual reports and is prepared as of a date not earlier than three months before preparation of the merger report shall be prepared upon the merger of credit institutions. The final balance sheet shall be prepared using the same accounting policies and presentation which were used in the preparation of the balance sheet that constitutes part of the last annual report. The final balance sheet shall be prepared as at the day preceding the merger balance sheet date.
- 7.9. The assets of a company being acquired shall transfer to the acquiring company as of entry of the merger in the commercial register of the registered office of the acquiring company. After entry of the merger in the commercial register of the registered office of the acquiring company, entries regarding the transfer of assets shall be made in the registers on the petition of the acquiring company. A company being acquired shall be deemed to be dissolved as of entry of the merger in the commercial register of the registered office of the acquiring company. The registrar shall delete the company being acquired from the commercial register.
- 7.10. If a company registered or to be registered in the Estonian commercial register participates in a cross-border merger as the acquiring company, the company being acquired which falls under the jurisdiction of a Contracting State shall submit the registrar a certificate by the court, notary or other competent authority of the corresponding Contracting State stating that the requirements for merger have been fulfilled and pre-merger acts have been concluded with respect to the company being acquired which falls under the jurisdiction of such Contracting State, and submit the merger agreement. The certificate shall be submitted within six months after its issue. The merger entry shall be made even if it is evident based on the certificate that a court proceeding for checking the share exchange ratio within the meaning of subsection 398 (3) of Commercial Code has been initiated with respect to the company being acquired.

8. ORIGINAL OF THE NOTARISED ACT AND DELIVERY OF COPIES

- 8.1. The notarised act has been made and certified in a single original, deposited in notary office.
- 8.2. On the date of making this act parties will be delivered copies of the notarised act either digitally or on paper. Digital copy is also available in www.eesti.ee.
- 8.3. The notary shall present to the Commercial Register of the Republic of Estonia the copy of this notarised act.

9. COSTS RELATED TO MAKING THE CONTRACT

- 9.1. Expenses related to making the contract, shall be payable by Acquiring Company.
- 9.2. Party shall pay the notary fee within three (3) working days, as from the date hereof, by

bank transfer in notary's bank account. Notary shall be entitled to retain possession of documents, submitted for notary procedure and to be returned, until Notary fee is paid.

This notarised act was read out to the parties in the presence of certifier of the act. It was delivered to them for study, prior to approval, was thereafter approved by them and signed in their own hand, in the presence of certifier of the act. The parties waived their right to have the appended documents read out to them. The same were presented to them for consideration. They were approved by them and signed, in their own hand, in the presence of certifier of the notarised act.

Upon wish of participants this notarised act was made in English.

This document contains 20 sheets, corded and bound with an embossed seal.

Notary fee for certification of this transaction 10735,92 euro (transaction value 6,390,000 euro, Notary Fee Act § 3, 18, 22 and 23 p. 2).

Total notary fee	10735,92 euro.
VAT	2147,18 euro
Total	12883,1 euro.

Added to the above fees, are the fee for making and acknowledgement of copies.

first names and surname *signature*

first names and surname *signature*

first names and surname *signature*

Appendix no 1 to the notarised act

Luminor Bank AS ARTICLES OF ASSOCIATION

1 BUSINESS NAME AND SEAT

- 1.1** The business name of the public limited company is **Luminor Bank AS** (hereinafter: the “**Bank**”).
- 1.2** The seat of the Bank is in Tallinn, Republic of Estonia.

2 LEGAL STATUS AND LIABILITY

- 2.1** The Bank is credit institution established in the form of a public limited company and acting on the ground of the activity license issued by the Financial Supervision Authority.
- 2.2** In its activities the Bank is guided by the laws and other legal acts of the Republic of Estonia and by these articles of association (hereinafter: the “**Articles of Association**”).
- 2.3** The Bank shall be liable for the performance of its obligations with all its assets.
- 2.4** Shareholders of the Bank are not personally liable for the obligations of the Bank.

3 FIELDS OF ACTIVITIES

- 3.1** The main business activities of the Bank include:
- (i) deposit transactions for the receipt of deposits and other repayable funds from the public;
 - (ii) borrowing and lending operations;
 - (iii) leasing transactions;
 - (iv) provision of all other financial services in the sense of the Credit Institutions Act.
- 3.2** The Bank may perform any other transactions or operations which are necessary for the carrying out of its main business activities, unless otherwise provided by law.

4 SHARE CAPITAL AND SHARES

- 4.1** The minimum share capital of the Bank shall be EUR 7,000,000 (seven million Euros) and the maximum share capital shall be EUR 28,000,000 (twenty eight million Euros) (hereinafter: the “**Share Capital**”). The Share Capital may be increased or reduced within the limits of the minimum and maximum share capital without making amendments to the Articles of Association of the Bank. The Share Capital of the Bank is formed from the monetary contributions of the Shareholders.
- 4.2** The Share Capital of the Bank shall be divided into shares (hereinafter respectively: the “**Share**” or “**Shares**”). The Bank shall have only one class of Shares i.e. registered common shares.

- 4.3** Each Share shall have the nominal value of EUR 10 (ten euros), whereas each Share shall grant 1 (one) vote at the general meeting of shareholders (hereinafter: the “**General Meeting**”).
- 4.4** Each Share shall grant to a shareholder of the Bank (hereinafter: the “**Shareholder**”) the right to participate in the General Meeting and in the distribution of profits of the Bank and of assets outstanding in the event of the dissolution of the Bank, as well as other rights provided by law or the Articles of Association.
- 4.5** The Bank may issue convertible bonds the holder of which shall have the right to convert its bond to a Share(s). The sum of nominal values of convertible bonds shall not exceed 1/10 of the share capital.
- 4.6** The Shares of the Bank must be registered with the Estonian Central Register of Securities.
- 4.7** Shareholders may freely transfer their Shares. Upon the transfer of Shares to third persons other Shareholders have no right of pre-emption.
- 4.8** Shares may be pledged.
- 4.9** The Share Capital may be increased by the issue of new Shares or increase of the nominal value of the existing Shares either through additional monetary contributions or the bonus issue. The Share Capital may be also increased by conversion of the convertible bonds to Shares or by the settlement of a financial claim arising out of a subordinated debt agreement and the issue price of the Shares.
- 4.10** The supervisory board shall have the right to increase the Share Capital by contributions within three years as of the adoption of this version of Articles of Association. The supervisory board shall not increase the Share Capital by more than 1/10 of the Share Capital which existed at the time when this version of Articles of Association entered into force.
- 4.11** The Share Capital may be reduced by a reduction of the nominal value of Shares or by cancellation of Shares in accordance with the law.
- 4.12** The resolution on the increase or reduction of Share Capital shall be adopted by the General Meeting if at least 2/3 of the votes represented at the meeting are in favour.

5 ORGANIZATIONAL STRUCTURE OF THE BANK

- 5.1** The structure of the Bank is made up of the following management bodies and structural units formed by such management bodies in accordance with the requirements of the law:

5.1.1 Management bodies:

- (i) the general meeting of shareholders;
- (ii) the supervisory board;
- (iii) the management board.

5.1.2 Structural units:

- (i) credit committee;

- (ii) internal audit unit;
- (iii) other structural units established by the management bodies of the Bank.

6 GENERAL MEETING

- 6.1** The General Meeting is the highest managing body of the Bank. General Meetings may be ordinary and extraordinary.
- 6.2** The ordinary General Meeting takes place once a year not later than within 6 (six) months as from the end of the financial year, unless otherwise stipulated by law.
- 6.3** The extraordinary General Meeting shall be convened by the Management Board in the following cases:
- (i) the amount of own funds of the Bank is lower than the minimum requirement provided for by law and the Bank has not brought the own funds to the level required by the date stipulated in the precept of the Financial Supervision Authority ;
 - (ii) it is demanded by any Shareholder or Shareholders whose Shares represent more than 1/10 of the Share Capital;
 - (iii) it is demanded by the supervisory board (hereinafter: the “**Supervisory Board**”) or the auditor;
 - (iv) this is clearly in the interests of the Bank.
- 6.4** The notice of the ordinary General Meeting shall be sent to all Shareholders so that in the course of the ordinary delivery it would be received by the Shareholders at least 3 (three) weeks in advance of the General Meeting, and in the case of an extraordinary General Meeting, at least 1 (one) week in advance of the General Meeting. If the Bank has more than 50 Shareholders, notices need to be sent to the Shareholders, however, a notice of the General Meeting shall be published in at least one daily national newspaper.
- 6.5** The Shareholders who are entitled to participate in the General Meeting are determined in accordance with the list of the Shareholders entered into the share register of the Bank maintained by the registrar of the Estonian Central Register of Securities as at the date of the General Meeting, prior to the beginning of the General Meeting.
- 6.6** The General Meeting shall have a quorum if more than half of the votes represented by the Shares of the Bank participate in the General Meeting.
- 6.7** If the quorum is not represented at the General Meeting, the Management Board shall, within 3 (three) weeks but not earlier than after 7 (seven) days, call another meeting with the same agenda. The new General Meeting is competent to adopt resolutions regardless of the votes represented at the meeting.
- 6.8** The following matters shall be in the exclusive competence of the General Meeting:
- (i) amending of the Articles of Association;
 - (ii) increasing and reducing of the Share Capital
 - (iii) issuing of convertible bonds;
 - (iv) electing and removing of the members of the Supervisory Board;
 - (v) appointing auditor(s) for the Bank;

- (vi) designating of special audit for the Bank;
- (vii) approving the annual reports and distribution of profits of the Bank;
- (viii) deciding on the conclusion of transactions with the members of the Supervisory Board, and appointing of the representative of the Bank in such transactions;
- (ix) filing claims against members of the Supervisory Board, and appointing of the representative of the Bank in such claims;
- (x) dissolution, merger, division or transformation of the Bank;
- (xi) deciding on any other matters placed in the competence of the General Meeting by law.

6.9 The resolution of the General Meeting on matters stipulated in Section 6.8. of the Articles of Association shall be deemed adopted if more than half of the votes represented at the General Meeting are cast in favour of the resolution, except for resolutions mentioned in points (i), (ii), (iv) and (x) of Section 6.8. which require that at least 2/3 of the votes represented at the General Meeting are cast in favour of the resolution.

7 SUPERVISORY BOARD

7.1 The Supervisory Board is a managing body of the Bank which plans the activities of the Bank, gives instructions to the Management Board for organisation of the management of the Bank, and supervises the activities of the Bank, as well as the activities of the Management Board in managing the Bank. Members of the Supervisory Board shall control that the activities of the Bank, the Management Board and employees thereof are in accordance with legislation and the provisions of internal rules, as well as with other rules established by the managing bodies of the Bank and ensure that the Management Board of the Bank identifies and monitors risks and controls the extent of such risks.

7.2 The Supervisory Board is competent to:

- (i) approve the strategy, business plan and general principles of the activities of the Bank;
- (ii) approve the general principles of risk management of the Bank;
- (iii) approve the principles of remuneration of the members of the Management Board and key employees of the Bank;
- (iv) approve the principles of the organisational structure of the Bank;
- (v) approve the general principles of controlling of the activities of the Bank;
- (vi) approve the statutes of the internal audit unit;
- (vii) elect and remove the chairman and members of the Management Board of the Bank;
- (viii) appoint and remove from office the head of the internal audit unit of the Bank, and on the proposal of the head of the internal audit unit, appoint and remove from office employees of the internal audit unit;
- (ix) approve the budget and the investment plan of the Bank;
- (x) approve the general principles of the activities and the competence of the credit committee;
- (xi) decide on the conclusion of transactions with members of the Management Board, and appoint the representative of the Bank in such transactions;
- (xii) file claims against members of the Management Board, and appoint the representative of the Bank in such claims;
- (xiii) approval of transactions which are beyond the scope of everyday economic activities of the Bank;

(xiv) decide on other matters placed in the competence of the Supervisory Board by the Articles of Association.

7.3 The Supervisory Board shall consist of 5 (five) to 10 (ten) members whose term of office shall be 5 (five) years. The members of the Supervisory Board shall elect among themselves the chairman of the Supervisory Board, who shall be responsible for organizing the work of the Supervisory Board.

7.4 The Supervisory Board shall adopt decisions at the meetings of the Supervisory Board or without convening the meetings of the Supervisory Board. Supervisory Board meetings shall be held when necessary but at least once every calendar quarter. The notice of the meeting shall be submitted at least 10 (ten) business days in advance of the meeting, unless all Supervisory Board members agree to a shorter advance notice period. Each member of the Supervisory Board shall have one vote. A member of the Supervisory Board shall not have the right to abstain from voting or to remain undecided. The chairman of the Supervisory Board shall have the deciding vote upon an equal division of votes.

7.5 The meeting of the Supervisory Board shall be deemed to have a quorum if more than half of all the members of the Supervisory Board participate at the meeting. A resolution of the Supervisory Board shall be deemed adopted if more than half of the members of the Supervisory Board present at the meeting vote in favour of such resolution.

7.6 The Supervisory Board has the right to adopt resolutions without calling a meeting if all of the members of the Supervisory Board consent to it. For that, the chairman of the Supervisory Board shall send a draft of the resolution to all members of the Supervisory Board, specifying the term by which the member of the Supervisory Board must present his or her written position on it. If a member of the Supervisory Board does not give notice of whether he or she is in favour of or opposed to the resolution during this term, it shall be deemed that he or she votes against the resolution.

8 MANAGEMENT BOARD

8.1 The Management Board of the Bank is a managing body of the Bank which directs the day-to-day activities of the Bank pursuant to the strategies and general principles of activities approved by the Supervisory Board.

8.2 The Management Board is obliged to:

- (i) develop a business plan for implementation of the strategy approved by the Supervisory Board;
- (ii) develop, pursuant to the general principles approved by the Supervisory Board, the principles of risk management of the Bank and approve the conditions and limits for the grant of unsecured loans;
- (iii) determine the risk tolerance of the Bank by all relevant business lines and business entities;
- (iv) determine and assess regularly all risks involved in the activities of the Bank and ensure the monitoring and control of the extent of such risks;
- (v) develop the organisational structure of the Bank on the basis of the principles provided for in the Articles of Association and approve the structure of the Bank;
- (vi) develop and implement systems for controlling the activities of the Bank, ensure adherence to such systems, assess the sufficiency thereof regularly and improve them if necessary pursuant to the principles established by the Supervisory Board;
- (vii) ensure that all employees of the Bank are aware of the provisions of legislation relating to their duties of employment and of the principles provided for in the documents approved by the managing bodies of the Bank;
- (viii) organise the effective functioning of the internal control system of the Bank and ensure controlling of the compliance of the activities of the Bank, its managers and employees thereof with

legislation and the documents approved by the managing bodies of the Bank and with the principles of sound banking management;

- (ix) ensure the existence and functioning of systems to guarantee that information necessary for employees of the Bank to perform their duties is communicated thereto in a timely manner;
- (x) ensure the safety and regular controlling of information technology systems used by the Bank and systems used for the safekeeping of assets of clients;
- (xi) inform the Supervisory Board to the extent and pursuant to the procedure established thereby of all discovered violations of legislation and of internal rules and other rules established by the directing bodies of the Bank;
- (xii) monitor that sufficient separation of functions is guaranteed in all the activities of the Bank, and avoid the creation of conflict of interests.

8.3 Members of the Management Board shall keep the Supervisory Board fully informed about any material information regarding the economic situation of the Bank. The Management Board shall give the Supervisory Board quarterly overview of the Bank's financials.

8.4 The Management Board shall consist of 3 (three) to 10 (ten) members whose term of office shall be three (3) years. Members of the Management Board are elected and removed by the Supervisory Board.

8.5 The Bank may be represented in all transactions by the chairman of the Management Board alone or by 2 (two) of the other members of the Management Board jointly.

9 CREDIT COMMITTEE

9.1 The Supervisory Board shall form a credit committee, which is guided in its activities by the general principles adopted by the Supervisory Board. The Credit Committee shall report about its activities to the Management Board of the Bank.

9.2 The credit committee shall consist of at least 5 (five) members, including the chairman of the Management Board of the Bank who shall not be the chairman of the credit committee.

9.3 Loans which exceed the limits established by the Supervisory Board of the Bank shall be granted or renewed on the basis of a specific prior decision of the credit committee.

9.4 Sessions of the credit committee shall be closed. A session of the credit committee has a quorum if more than half of the members of the committee participate. The granting of loans shall be decided by an open vote by name with a majority of votes in favour. Members of the credit committee do not have the right to abstain from voting or to remain undecided. The chairman of the committee shall have the deciding vote upon an equal division of votes. Minutes shall be taken of sessions of the credit committee. The minutes shall be signed by all members of the committee who participate in the session.

10 INTERNAL AUDIT UNIT

10.1 An independent internal audit unit shall be formed as part of the internal control system of the Bank, which shall carry out its activities in accordance with the general statute approved by the Supervisory Board.

10.2 The chief internal auditor and the employees of the internal audit unit shall be appointed to and removed from office on the basis of a resolution of the Supervisory Board.

10.3 The internal audit unit shall prepare reviews of the activities of the unit on a regular basis and submit the reviews to the Supervisory Board and the Management Board on a quarterly basis.

11 ACCOUNTING, AUDITING AND REPORTING

- 11.1** The financial year of the Bank is a calendar year.
- 11.2** The auditor shall be appointed for carrying out a single audit or for a longer period in accordance with the requirements of the law.
- 11.3** After the end of the financial year, the Management Board shall prepare the annual accounts and the activity report pursuant to the procedure provided by the Accounting Act and other applicable laws and regulations. The Management Board shall present the annual accounts, the activity report and the profit distribution proposal to the General Meeting. The Supervisory Board shall review the annual accounts and submit its written opinion to the General Meeting.
- 11.4** The annual report shall be approved by the General Meeting. The Management Board shall submit the approved annual report to the Commercial Register not later than within six (6) months after the end of the financial year of the Bank.
- 11.5** The amount of reserve capital of the Bank shall be one-tenth (1/10) of the Share Capital. The reserve capital shall be formed from annual net profit transfers, as well as from other transfers entered in the reserve capital pursuant to law. During each financial year, at least one-twentieth (1/20) of the net profit shall be entered in the reserve capital. If the reserve capital reaches the prescribed amount, the increase of reserve capital from net profit shall be terminated.

12 VOLUNTARY EQUITY RESERVE

- 12.1** The Bank may form a voluntary reserve for equity contributions.
- 12.2** For the purposes of Article 26(1)(e) (Common Equity Tier 1 instruments) of Regulation No. 575/2013 of the European Parliament and of the Council, voluntary equity reserve means other reserves.
- 12.3** Voluntary equity reserve is formed out of the contributions by the Shareholders to the equity capital of the Bank.
- 12.4** The formation of voluntary equity reserve, the size of the reserve and the procedure for contributions shall be decided by the resolution of the General Meeting. The size of the voluntary equity reserve shall not be limited.
- 12.5** Only monetary contributions shall be made to the voluntary equity reserve.
- 12.6** No interest shall be calculated or paid on the contributions to the voluntary equity reserve.
- 12.7** The voluntary equity reserve shall only be used for the following purposes:
- 12.7.1** to cover a loss if such loss cannot be covered by retained profit from previous periods and the legal reserve as established in the Articles of Association and the premium;
 - 12.7.2** to make contributions for Share Capital and the premium when increasing the Share Capital.
- Use of the voluntary equity reserve for any other purposes shall not be allowed.
- 12.8** Use of the voluntary equity reserve shall be decided by the resolution of the General Meeting.

12.9 The termination of the voluntary equity reserve shall be decided by the resolution of the General Meeting but only if the amounts paid into the voluntary equity reserve have been fully used up in compliance with clauses 12.7 and 12.8 of the Articles of Association.

13 DISSOLUTION OF THE BANK

13.1 The Bank shall be dissolved:

- (i) by a resolution of the General Meeting in accordance with the law (voluntary dissolution);
- (ii) on the initiative of the Financial Supervision Authority, on the basis of a court decision (compulsory dissolution);
- (iii) in the case of insolvency, pursuant to the law.

13.2 The Bank shall be dissolved by the General meeting if at least 2/3 of the votes represented at the meeting are in favour.

The current version of the Articles of Association has been adopted by the sole shareholder's resolution dated 4 September 2017.

Appendix no 2 to the notarised act

The following acts and operations shall be conducted in Estonia by the Acquiring Company within the course of the merger:

- 1) the management board shall prepare the merger plan and prospectus (merger report), indicating the purposes of the merger, providing explanations on the merger terms, legal and economic grounds of the merger terms, *etc.*;
- 2) the management board shall publish merger agreement in the website of Luminor or forward the merger agreement to the commercial register;
- 3) the management board shall notify the Estonian Financial Supervision Authority of the signing of the merger agreement and file the merger agreement and merger plan with the Estonian Financial Supervision Authority;
- 4) upon expiry of one month as of the completion of the auditing of the merger agreement the sole shareholder shall adopt the merger decision and shall approve this agreement;
- 5) the management board shall file for the approval of the merger by the Estonian Financial Supervision Authority;
- 6) the management board shall publish a notice regarding the authorization of the Estonian Financial Supervision Authority for the merger in a national daily newspaper;
- 7) the management board shall file the merger application with the Estonian commercial register.

Appendix no 3 to the notarised act

The following acts and operations shall be conducted in Latvia by the Company Being Acquired I within the course of the merger:

- 1) the sole shareholder, the management board, the supervisory board have adopted resolutions to commence the merger;
- 2) the management board has prepared the prospectus (merger report), indicating the purposes of the merger, providing explanations on the merger terms, legal and economic grounds of the merger terms etc, and notify the employees;
- 3) the sole shareholder has adopted the merger decision and shall approve this agreement;
- 4) the management board shall in accordance with applicable legal requirements notify the merger to all its known creditors in writing within 15 days after the adoption of the merger decision and announce the adoption of the merger decision by making a respective publication in the official gazette "Latvijas Vēstnesis";
- 5) the management board shall apply to the Latvian FSA for regulatory permits necessary to carry out cross-border merger under this agreement;
- 6) not earlier than 3 months after the date when the announcement of the merger has been published in the official gazette "Latvijas Vēstnesis" the management board shall apply to the Latvian Competent Authority for the issuance of the pre-merger certificate;
- 7) in accordance with Article 120 of the Latvian Labour Law the Company Being Acquired I shall no later than 1 month before the completion of the merger inform its employees on the transfer of the undertaking in the meaning of the Article 117 of Latvian Labour Law.

Appendix no 4 to the notarised act

The following acts and operations have been or shall be conducted in Lithuania by the Company Being Acquired II within the course of the merger:

- 1) the managing director has applied to the supervisory authority for regulatory consent to carry out cross-border merger under this agreement;
- 2) the sole shareholder, the management board, the supervisory council have adopted resolutions to commence the merger;
- 3) the management board has prepared and approved this merger agreement (merger terms);
- 4) the management board shall prepare the merger report, indicating the purposes of the merger, providing explanations on the merger terms, legal and economic grounds of the merger terms etc.;
- 5) the managing director shall make public announcements and shall notify the competent authorities, creditors and employees of this merger agreement following the applicable legal requirements;
- 6) the managing director shall apply to the supervisory authority for regulatory permission to carry out cross-border merger under this merger agreement;
- 7) the sole shareholder shall adopt the merger decision;
- 8) the managing director shall carry out necessary actions in order to obtain from the Register of Legal Persons of the Republic of Lithuania of the certificate confirming that all merger procedures have been made in relation to the Company Being Acquired II.