

Articles of Association of AS LHV Pank

1. BUSINESS NAME AND LOCATION

- 1.1. The business name of the public limited company shall be AS LHV Pank (hereinafter the Bank).
- 1.2. The Bank shall be located in Tallinn, Republic of Estonia.

2. FINANCIAL YEAR

- 2.1. The Bank's financial year shall be the calendar year (from January 1 to December 31).

3. SHARE CAPITAL AND SHARES

- 3.1. The Bank shall have a minimum share capital of fifty million (50,000,000) euros and a maximum share capital of two hundred million (200,000,000) euros.
- 3.2. The Bank's share shall have a nominal value of one (1) euro, with each share granting one (1) vote at the general meeting.
- 3.3. The Bank shall only issue registered shares. The Bank's shares shall all be of the same type and shall grant equal rights to all shareholders.
- 3.4. Where a monetary contribution is made for the shares, the contribution shall be transferred to the bank account specified in the resolution on increase of the share capital. A non-monetary contribution for the shares may only be made in the cases provided by law.
- 3.5. To cover potential future losses, the Bank shall establish a legal reserve, which shall amount to one-tenth (1/10) of the share capital. Every year, at least one-twentieth (1/20) of the Bank's net profit shall be transferred to the legal reserve, until the reserve meets the minimum requirement established by law. The general meeting may resolve to transfer other amounts to the legal reserve. The legal reserve may also be used for increasing the share capital.
- 3.6. The Bank may issue registered convertible bonds, whose total nominal value may not exceed 1/10 of the share capital and whose holder shall have the right to exchange the bond against a share.

4. SHAREHOLDER'S RIGHTS

- 4.1. A share shall grant the shareholder the right to participate, proportionally with the total nominal value of the shares held by the shareholder, in the Bank's management and profit allocation, as well as the right to receive a proportional part of the Bank's assets upon dissolution of the Bank.
- 4.2. The Bank's shares may be freely transferred.

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5. GENERAL MEETING

- 5.1. The general meeting of the shareholders is the highest managing body of the Bank.
- 5.2. The annual general meeting shall be called by the Management Board no later than six (6) months after the end of the financial year.
- 5.3. The Management Board shall call a special general meeting in the cases provided by law. Shareholders shall be given notice of an annual general meeting at least three (3) weeks before the general meeting, and of a special general meeting at least one (1) week before the general meeting. The notice shall be sent in such manner that, under normal conditions of delivery, it would reach the addressee by the above date at the latest.
- 5.4. A notice of the general meeting shall be sent to the shareholders by registered mail to the address entered in the share register.
- 5.5. A notice of the general meeting may also be forwarded by sending an unregistered letter or a fax, provided that a notice concerning the obligation to immediately send acknowledgement of receipt of the document is appended to the letter or fax. A notice sent by unregistered letter, fax or electronic mail is deemed to have been delivered, if the recipient sends the Management Board acknowledgement of receipt of the document in writing, by fax or by electronic mail.
- 5.6. Where the Bank has more than 50 shareholders, notices need not be sent to the shareholders. However, a notice of the general meeting shall be published in at least one daily national newspaper.
- 5.7. The Bank's general meetings shall be held in the Republic of Estonia.
- 5.8. The general meeting shall be held pursuant to the following procedure:
 - (1) a list of shareholders participating at the general meeting shall be prepared, recording the names of all participants, the number of votes granted by their shares, as well as the name and signature of the shareholder's representative;
 - (2) the general meeting shall be opened by the Chairman of the Supervisory Board or Management Board of the Bank;
 - (3) the chairman and the recording secretary of the meeting shall be appointed;
 - (4) the legality and the quorum of the meeting shall be ascertained;
 - (5) the agenda of the meeting shall be approved.
- 5.9. The annual general meeting shall:
 - (1) introduce the annual report, auditor's report and the Management Board's profit allocation proposal for the previous year;
 - (2) hear the opinion of the Supervisory Board and examine the report of the Supervisory Board;
 - (3) decide on the approval of the annual report;

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- (4) decide on the allocation of profit or application of measures, if prompted by a loss indicated in the audited annual report;
 - (5) decide on the number of and appointment of auditors and members of the Supervisory Board (including extension of their authorisations), as well as their remuneration;
 - (6) decide and discuss other issues stipulated by law or specified in the notice calling the general meeting.
- 5.10. The general meeting shall have a quorum, if more than a half of all votes represented by shares are present. Where the number of the votes present at the general meeting proves insufficient, the Management Board shall call a new general meeting with the same agenda. The new general meeting shall have a quorum, regardless of the number of votes present.
- 5.11. The resolution of the general meeting shall be adopted, if more than a half of the votes represented at the meeting are in favour of the resolution, unless otherwise provided by law.
- 5.12. The minutes of the meeting shall be signed by the chairman and the recording secretary of the meeting. The list of shareholders participating at the meeting shall be signed by the chairman and the recording secretary of the meeting as well as by all shareholders or representatives of shareholders participating at the meeting.
- 5.13. If the bank has one shareholder or if the only other shareholder is the Bank itself, or if there are more shareholders but they all consent to and sign the resolution, resolutions may be adopted without adhering to the requirements provided by law and by the Articles of Association for the agenda, notice, place, procedure and minutes of the general meeting. In such cases, the resolution shall be prepared in writing and signed by the shareholders, and shall indicate the shareholders' names and number of votes as well as the time of adoption of the resolution.

6. SUPERVISORY BOARD

- 6.1. The Supervisory Board shall plan the Bank's activities, give instructions to the Management Board with regard to the management of the Bank, and conduct supervision of the activities of the Bank and the Management Board of the Bank, as well as adopt resolutions in matters stipulated by law or the Articles of Association. The Supervisory Board shall submit to the general meeting a report on its activities in the year. The report shall contain an evaluation of the annual report.
- 6.2. The Supervisory Board shall have the competence and the obligation to:
- (1) approve the strategy and general principles of operation of the Bank;
 - (2) approve the credit and investment policy of the Bank;
 - (3) approve the general risk management principles and strategy of the Bank;
 - (4) approve the Bank's organisational structure and its principles;

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- (5) approve the general principles of supervision of the Bank's activities;
 - (6) decide on the appointment and removal of members of the Management Board, Chairman of the Management Board, substitute for the Chairman of the Management Board and procurators of the Bank, as well as their remuneration;
 - (7) approve the statutes of the internal audit unit of the Bank, appoint and remove the head of the internal audit unit and, on the recommendation of the head of the internal audit unit, appoint and remove employees of the internal audit unit;
 - (8) approve the Bank's budget and investment plan;
 - (9) decide on the foundation and closure of the Bank's foreign branches;
 - (10) decide on the acquisition (including increase) and transfer (including decrease) of holdings in other companies (including foundation and dissolution), where the volume of the transaction exceeds 10 per cent of the own funds of the Bank or the share capital of the other company, or if this level would be achieved through the transaction;
 - (11) establish the general principles and competence of the Credit Committee.
 - (12) decide on entry into transactions which are beyond the scope of everyday economic activities;
 - (13) decide, in accordance with law, on entry into transactions with members of the Management Board of the Bank, and appointment of the Bank's representative thereof;
 - (14) decide on the filing of claims against members of the Management Board of the Bank, and appointment of the Bank's representative thereof;
 - (15) establish the agenda of the general meeting (except in the cases provided by law);
 - (16) decide on other matters placed in the competence of the Supervisory Board by law or the Articles of Association.
- 6.3. The Supervisory Board shall have five (5) to seven (7) members, appointed by the general meeting for a term of up to five (5) years.
- 6.4. Members of the Supervisory Board shall elect amongst themselves a chairman, who shall organise the work of the Supervisory Board. Where the Chairman of the Supervisory Board is unable to fulfil his/her duties, other members of the Supervisory Board may elect amongst themselves, by consensus, a member substituting the Chairman of the Supervisory Board.
- 6.5. Meetings of the Supervisory Board shall be held when necessary, but at least once (1) every three (3) months. A meeting of the Supervisory Board shall be called, if so requested by a member of the Supervisory Board, a member of the Management Board, an auditor, head of the

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internal audit unit or Chairman of the Audit Committee or shareholders whose shares represent at least one-tenth of the share capital, or other persons provided by law.

- 6.6. Notice of the Supervisory Board meeting and the agenda of the meeting shall be given at least one (1) week in advance.
- 6.7. The location of the meetings of the Supervisory Board shall be decided by the Chairman of the Supervisory Board. Meetings may take place in or outside the Republic of Estonia.
- 6.8. A meeting of the Supervisory Board shall be called and chaired by the Chairman of the Supervisory Board or a member of the Supervisory Board substituting the Chairman of the Supervisory Board.
- 6.9. The Supervisory Board shall have a quorum, if more than a half of the members are present.
- 6.10. A resolution of the Supervisory Board shall be adopted, if more than a half of the members participating at the meeting vote in favour. Each member of the Supervisory Board shall have one vote. A member of the Supervisory Board shall not have the right to authorise another person to participate and vote at the meetings of the Supervisory Board. Upon an equal division of votes, the Chairman of the Supervisory Board or a member substituting the Chairman of the Supervisory Board shall have the deciding vote. A member of the Supervisory Board shall not have the right to abstain from voting or to remain undecided.
- 6.11. Minutes shall be taken of all meetings of the Supervisory Board. The minutes shall be signed by all members of the Supervisory Board participating at the meeting, as well as the recording secretary of the meeting.
- 6.12. The Supervisory Board shall have the right to adopt resolutions without calling a meeting, if all members of the Supervisory Board agree to it. The procedure shall be the following:
 - (1) The Chairman of the Supervisory Board shall send the draft resolution to all members of the Supervisory Board, establishing a deadline by which the members are obliged to submit their written position. Should a member of the Supervisory Board fail to give notice of whether the member is in favour or opposed to the resolution, it shall be deemed that the member votes against the resolution;
 - (2) A resolution shall be adopted, if more than a half of the members of the Supervisory Board vote in favour.
 - (3) The Chairman of the Supervisory Board shall prepare a record of voting concerning the voting results and shall promptly send it to the members of the Supervisory Board and Management Board.
- 6.13. If all members of the Supervisory Board agree to and sign the resolution, the resolution of the Supervisory Board may be prepared without advance notification and the record of voting. The resolution shall set out the names of the members of the Supervisory Board and the time of adoption of the resolution.

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- 6.14. The general meeting shall decide, in accordance with law, on entry into transactions with members of the Supervisory Board, and their remuneration.

7. MANAGEMENT BOARD

- 7.1. The Bank shall be managed by the Management Board of the Bank within the scope of competence established by law, the Articles of Association, the general meeting and the Supervisory Board. The Management Board shall work out the strategy and prepare the budget of the Bank, and submit it to the Supervisory Board for approval. The Management Board shall manage the daily operations of the Bank in accordance with the strategy, budget and general principles of operation approved by the Supervisory Board. The Management Board shall supervise the activities of the Bank's staff members.
- 7.2. The Management Board shall submit to the Supervisory Board, at least once every three months, a report on the activities of the Management Board as well as the economic activities and financial position of the Bank. The Management Board shall immediately notify members of the Supervisory Board of any deterioration or danger of deterioration in the financial position of the Bank or derogation from prudential norms.
- 7.3. The Management Board shall have three (3) to seven (7) members, appointed by the Supervisory Board for a term of up to five (5) years.
- 7.4. The Chairman of the Management Board shall organise the work of the Management Board, and shall call and chair the meetings of the Management Board. Where the Chairman of the Management Board is unable to fulfil his/her duties, the Supervisory Board shall appoint a member of the Management Board substituting the Chairman of the Management Board.
- 7.5. The Chairman of the Management Board or a member substituting the Chairman of the Management Board shall call a meeting of the Management Board as often as required for the management of the Bank. The Chairman of the Management Board or a member substituting the Chairman of the Management Board shall call a meeting of the Management Board upon request of a member of the Management Board or Supervisory Board. Any resolution which is considered essential for the Bank shall be adopted at the meeting of the Management Board.
- 7.6. The location of the meetings of the Management Board shall be decided by the Chairman of the Management Board. Meetings may take place in or outside the Republic of Estonia.
- 7.7. The Management Board shall have a quorum, if more than a half of the members are present.
- 7.8. The resolution of the Management Board shall be adopted, if all members of the Management Board participating at the meeting vote in favour of the resolution. A member of the Management Board shall not have the right to authorise any other person beside another member of

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the Management Board to participate and vote at the meetings of the Management Board. A member of the Management Board shall not have the right to abstain from voting or to remain undecided.

- 7.9. The Bank shall be represented in all legal actions by two members of the Management Board jointly. A person acting on behalf of the Bank shall not have the right to represent the Bank in transactions and legal disputes with third parties regarding whom the person acting on behalf of the Bank or a person with equivalent financial interests has personal financial interests.

8. CREDIT COMMITTEE

- 8.1. The Management Board of the Bank shall set up a Credit Committee, which shall be governed in its activities by the principles approved by the Supervisory Board. The Credit Committee shall report to the Management Board of the Bank.
- 8.2. The Credit Committee shall have at least five (5) members. The exact number of the members of the committee shall be determined by the Management Board, depending on the needs of the Bank and the Credit Committee. The members of the committee shall elect amongst themselves a chairman, who shall organise the work of the committee. The Chairman of the Management Board shall be a member of the Credit Committee, but shall not be the Chairman of the Credit Committee or chair the sittings of the Credit Committee.
- 8.3. The Credit Committee shall hold closed sittings. The Credit Committee shall have a quorum, if more than a half of the members are present. A member of the Credit Committee shall not have the right to abstain from voting or to remain undecided. A resolution of the Credit Committee shall be adopted, if all participating members of the Credit Committee vote in favour of the resolution.
- 8.4. Minutes shall be taken of the sittings of the Credit Committee. The minutes shall be signed by all participating members of the Credit Committee, as well as the recording secretary. Minutes shall be taken of the positions and dissenting opinions of the members.
- 8.5. The Credit Committee shall not have the right to decide on the grant of or extension of a loan beyond the limits established by the Supervisory Board of the Bank, or on the grant of a special loan without the previous consent of the Supervisory Board.

9. INTERNAL AUDIT UNIT

- 9.1. An independent internal audit unit shall serve as a part of the internal control system of the Bank, operating pursuant to the procedure approved by the Supervisory Board of the Bank.
- 9.2. The internal audit unit shall assess the economic activities of the Bank as well as the adequacy of and compliance of the internal rules and internal procedure rules with the requirements established for the activities of credit institutions, and shall constantly monitor adherence

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to the rules, procedure rules, limits and other standards as well as to the precepts of the Financial Supervision Authority.

- 9.3. The staff of the internal audit unit shall have the right to examine all documents of the Bank, monitor every stage of the work performed in the Bank without restriction, and participate at the sittings of the committees set up by the Management Board and on the basis of the Articles of Association of the Bank.
- 9.4. The exact number of the employees of the internal audit unit shall be determined by the Supervisory Board, depending on the needs of the Bank and the internal audit unit. The staff and the head of the internal audit unit shall be appointed to and removed from office by the Supervisory Board of the Bank.
- 9.5. The head of the internal audit unit shall present reports of the activities of the internal audit unit to the Supervisory Board of the Bank on an annual basis, and to the Management Board on a quarterly basis.

10. AUDIT

- 10.1. An auditor shall be appointed by the general meeting for the auditing of the accounts and financial statements of the Bank for a period of no more than five years.
- 10.2. The Management Board shall submit the annual report to the auditor(s) pursuant to the procedure provided by law. Auditor(s) shall present the auditor's report to the Management Board within one (1) month after receiving the annual report.

11. PROFIT ALLOCATION

- 11.1. The general meeting shall decide on the allocation of profit on the basis of the audited financial statements, the Management Board's profit allocation proposal and the opinion of the Supervisory Board.
- 11.2. The means of, time of and procedure for payment of dividends shall be established with the resolution of the general meeting.

12. DISSOLUTION OF THE BANK

- 12.1. The Bank shall be dissolved:
 - (1) on the basis of the resolution of the general meeting of the shareholders of the Bank (voluntary dissolution), subject to the permission of the Financial Supervision Authority;
 - (2) with a court ruling or court judgement;
 - (3) in the event of revocation of the authorisation of the Bank by the Financial Supervision Authority, or termination of authorisation;
 - (4) in the event of insolvency as provided by law.
- 12.2. Voluntary dissolution of the Bank shall be decided by the general meeting.

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The Bank's Articles of Association have been approved on 16 January 2020.

/digitally signed/

Erki Kilu

Chairman of the Board

/digitally signed/

Meelis Paakspuu

Member of the Board