



Baltic International Bank

Joint Stock Company „Baltic International Bank”

Registration number: 40003127883

Address: Kalēju iela 43, Rīga, LV-1050

CHARTER

(the wording approved by the General Shareholders' Meeting
held on 30 March 2016)

APPROVED
by the General Shareholders' Meeting
on 30 March 2016

Riga, 2016

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(approved by the General Shareholders' Meeting held on 30 March 2016)

1. OFFICIAL CORPORATE NAME

- 1.1. The company's full corporate name is Joint Stock Company „Baltic International Bank“; the abbreviated name is JSC „Baltic International Bank“ (hereinafter referred to as the „Bank“).

2. COMMERCIAL ACTIVITIES

- 2.1. In accordance with the Statistical Classification of Economic Activities in the European Community (NACE Rev.2), the Bank carries on the following economic activities:

K	Financial and insurance activities
64	Financial service activities, except insurance and pension funding
64.1	Monetary intermediation
64.19	Other monetary intermediation
64.20	Activities of holding companies
64.30	Trusts, funds and similar financial entities
64.9	Other financial service activities, except insurance and pension funding
64.91	Financial leasing
64.92	Other credit granting
64.99	Other financial service activities, except insurance and pension funding n.e.c.
66	Activities auxiliary to financial services and insurance activities
66.1	Activities auxiliary to financial services, except insurance and pension funding
66.12	Securities transactions
66.19	Other activities auxiliary to financial services, except insurance and pension funding
L	Real estate activities
68	Real estate activities
68.1	Buying and selling of own real estate
68.10	Buying and selling of own real estate
68.2	Renting and operating of own or leased real estate
68.20	Renting or operating of own or leased real estate
68.3	Real estate activities on a fee or contract basis
68.31	Real estate agencies
M	Professional, scientific and technical activities
69	Legal and accounting activities
69.1	Legal activities
69.10	Legal activities
N	Administrative and support service activities

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- 77 Rental and leasing activities
 - 77.1 Renting and leasing of motor vehicles
 - 77.11 Renting and leasing of cars and light motor vehicles
 - 77.12 Renting and leasing of trucks
 - 77.3 Renting and leasing of other machinery, equipment and tangible goods
 - 77.31 Renting and leasing of agricultural machinery and equipment
 - 77.32 Renting and leasing of construction and civil engineering machinery and equipment
 - 77.34 Renting and leasing of water transport equipment
 - 77.35 Renting and leasing of air transport equipment
 - 00.00 Other activities as stipulated in the Charter.
- 2.2. The Bank may also carry on other commercial activities. In the event that the appropriate special permission (license) is required for any commercial activity, the Bank will be entitled to commence the activity after obtaining such a special permission (license).

3. SHARE CAPITAL AND SHARES

- 3.1. The total share capital is represented by 4 436 112 (Four million four hundred thirty six thousand one hundred twelve) shares. The total par value of the shares equals EUR 31,496,395.20 (Thirty one million four hundred ninety six thousand three hundred ninety five euros and 20 cents).
- 3.2. Each share has a par value of EUR 7.10 (seven euros and 10 cents).
- 3.3. These are dematerialized registered shares.
- 3.4. All of the shares give equal rights to receive dividends and liquidation quotas and carry identical voting rights at the Shareholders' Meeting. Each paid-in share entitles to one vote at the Shareholders' Meeting.
- 3.5. In case of an increase in the Bank's share capital, the Terms and Conditions of the Share Capital Increase may include the following provision: if a shareholder fails to pay the full value of the subscribed shares, the shareholder will own the number of shares of stock proportionate to the amount of money paid for the shares.

4. GOVERNING BODIES

- 4.1. The Bank's governing bodies are the Shareholders' Meeting, the Supervisory Board and the Management Board.
- 4.2. The Shareholders' Meeting is the Bank's supreme governing body.
- 4.3. The Shareholders' Meeting has the right to make decisions irrespective of the number of shares represented at the meeting.
- 4.4. The Supervisory Board consists of 5 (five) members.

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- 4.5. Prior approval from the Supervisory Board is required for the Management Board to make a final decision on any of the actions listed below:
 - 4.5.1. establishment and closure of branches and representative offices;
 - 4.5.2. issuance of loans not normally associated with the Bank's commercial activities;
 - 4.5.3. the Bank's annual budget, investments and operating plan;
 - 4.5.4. acquisition of a qualifying shareholding in limited liability companies and joint stock companies, increase or reduction of the qualifying shareholding, and acquisition or alienation of business enterprises, unless this is connected with the Bank's day-to-day routine activities;
 - 4.5.5. the principles of the organizational structure;
 - 4.5.6. key strategy and policy issues;
 - 4.5.7. risk management and internal control policies;
 - 4.5.8. establishment, rearrangement or winding-up of charitable foundations;
 - 4.5.9. sponsorship and charity deals whose size exceeds the amount pre-determined by the Supervisory Board;
 - 4.5.10. acquisition, ordering, alienation, perfection of a pledge (security interest) over and delivery into safe custody of especially valuable art items whose cost exceeds the amount pre-determined by the Supervisory Board.
- 4.6. The Management Board consists of 7 (seven) members.
- 4.7. The Supervisory Board elects the Chairperson of the Management Board (President) and the Deputy Chairperson of the Management Board (Vice President) from among the members of the Management Board.
- 4.8. The Chairperson of the Management Board (President) is responsible for managing the affairs of the Management Board. The Deputy Chairperson of the Management Board (Vice President) assumes the role of the Chairperson of the Management Board (President) during the absence of the Chairperson.
- 4.9. The Management Board makes decisions by simple majority vote. In the case of an equality of votes, the Chairperson of the Management Board has a casting vote.
- 4.10. The Chairperson of the Management Board (President) and the Deputy Chairperson of the Management Board (Vice President) are empowered to represent the Bank severally. Each of the other members of the Management Board is empowered to represent the Bank jointly with two members of the Management Board.
- 4.11. The Supervisory Board is empowered to nominate one or more candidates for Management Board member positions (nominees). The nominated candidates participate at the meeting of the Management Board and are entitled to express their opinions on issues discussed therein but do not participate in voting.

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5. AUDIT AND SUPERVISORY BODIES

- 5.1. State-authorized public accountant (external auditor) performs audits on the Bank's financial statements and issues the Independent Auditors' Report, while the Internal Audit Department carries on day-to-day internal audits and supervision.
- 5.2. Establishment of the Internal Audit Department is under the charge and responsibility of the Supervisory Board. The Internal Audit Department operates within the powers granted by, on the instructions and under the control of the Supervisory Board. The Internal Audit Department is headed by the Chief Audit Executive who is elected by the Supervisory Board. The Chairperson of the Management Board (President) hires staff members for the Internal Audit Department upon receiving prior approval of the Supervisory Board.
- 5.3. The state-authorized public accountant (external auditor) is appointed by the Shareholders' Meeting. The Management Board prepares and submits its proposal regarding the candidature of the state-authorized public accountant to the Shareholders' Meeting. After the approval of the state-authorized public accountant (external auditor), the Management Board signs the Engagement Contract on behalf of the Bank.

**Chairperson of the Management Board
of Joint Stock Company „Baltic International Bank“:**

Ilona Gulchak _____

**Presiding over the regular shareholders' meeting (held on 30 March 2016)
of Joint Stock Company „Baltic International Bank“:**

Inese Lazdovska _____

**Secretary of the regular shareholders' meeting (held on 30 March 2016)
of Joint Stock Company „Baltic International Bank“:**

Ilona Jakushenoka _____

**The shareholders who have certified the accuracy and correctness of
the minutes of the regular shareholders' meeting (held on 30 March 2016)
of Joint Stock Company „Baltic International Bank“:**

Valeri Belokon,
represented by his duly authorized
representative Anda Beinare _____

Vilori Belokon
represented by his duly authorized
representative Anda Beinare _____