

Project

CHARTER
of Limited Liability Public Company
ŠIAULIŲ BANKAS

Article 1. General Provisions

1.1. Limited Liability Public Company Šiaulių bankas (hereinafter referred to as the Bank) is a commercial bank. The Bank has been established for unlimited period.

1.2. Name of the Bank is Limited Liability Public Company Šiaulių bankas.

1.3. Address of the Bank's registered office is: Tilžės 149, LT-76348 Šiauliai, the Republic of Lithuania.

1.4. The Bank possesses its seal with the following inscription: Lietuvos Respublika, AB Šiaulių bankas (the Republic of Lithuania, Šiaulių bankas AB).

1.5. The Bank is engaged in rendering financial services as well as other activities the financial services cannot be rendered without, that aid in rendering financial services or are directly related with financial service rendering.

1.6. The Bank is a private legal entity with limited civil liability. The Bank answers for no obligations of its shareholders and the shareholders, unless it is prescribed in the laws otherwise, are only obliged to pay emission prices of the shares subscribed in the order, set by the Bank.

1.7. Charter of the Bank may be amended in the order, prescribed in the laws.

1.8. Targets of the bank activity are as follows: to try to get profit by rendering the financial services, provided for therein, induce the customers and the prospects to employ financial services efficiently, to try to render top-quality services to the customers, to form positive image of the Bank and the banking system, to familiarize society with the financial and related services, to render material and other support or aid to individuals or individual fields, paying especial attention at the culture, arts, science and sports.

1.9. The Bank, its employees and other persons, knowing the Bank's secret containing information, ought to disclose no such information for unlimited period, except the cases, provided in the laws. List of the information and data, deemed the Bank's secret, as well as order of its storing and delivering to other persons, shall be set by the Board of the Bank.

1.10. The Bank gives the other subjects data and information regarding the financial services, rendered by the Bank, as well as other activities of the Bank exclusively in the cases and order, prescribed by the laws.

1.11. The Bank in its activities shall follow the Constitution, the Civil Code, the Law on Banks of the Republic of Lithuania, legal acts, adopted by the supervising authorities, as well as present Charter. In its activities the Bank also follows the Law on Financial Institutions, Law on Companies and other legal acts, unless the Law on Banks provides for different rules. The Bank operates independently, observing investment limitations and banking activities risk limiting normative, the sizes and calculation methods of which are prescribed in the laws and other legal acts. The Bank arranges and realizes its activities following the resolutions of the bodies of the Bank.

1.12. A calendar year is considered the Bank's fiscal year.

1.13. The Bank is entitled to grant support in the order, provided for in the laws and other legal acts.

1.14. If this Charter is at variance with the imperative law norms or if they do not cover appropriate matters, provisions of the laws should be observed.

1.15. The following definitions are used in the Charter:

1.15.1. Meeting means the general meeting of the Bank's shareholders;

1.15.2. Council means the Bank's Supervisory Council;

1.15.3. Board means the Bank's Management Board;

1.15.4. Head of the Bank means Head of Administration of the Bank.

Article II. Financial Services, Rendered by the Bank

- 2.1. Financial services rendered by the Bank are as follows:
- 2.1.1. Accepting deposits and other returnable funds;
 - 2.1.2. Lending moneys (including mortgage loans);
 - 2.1.3. Payment services;
 - 2.1.4. Issuing payment cards and other payment instruments and/or performing operations with them;
 - 2.1.5. Financial lease (leasing);
 - 2.1.6. Granting of financial securities and financial guarantees;
 - 2.1.7. Making transactions on Bank's or customer's account regarding the money market instruments (checks, promissory notes, deposit certificates etc.), foreign currency, financial future and option transactions, instruments of currency exchange rate and interest rate setting, public trading in securities and precious metals;
 - 2.1.8. Investment services;
 - 2.1.9. Financial mediation (agency);
 - 2.1.10. Cash handling;
 - 2.1.11. Rendering information and advises on credit granting and paying matters;
 - 2.1.12. Rent of safe chambers;
 - 2.1.13. Currency exchange (in cash);
 - 2.1.14. Custody and administering of cash funds;
 - 2.1.15. Company consulting in capital structure, production strategy and related matters, also the consultations and services, related with reorganization, restructuring and purchase of enterprises;
 - 2.1.16. Rendering the services related with securities issue;
 - 2.1.17. Issuing and handling of electronic cash.
 - 2.1.18. Clearing of credit institutions;
 - 2.1.19. Administering investment funds or investment variable capital companies.
 - 2.1.20. Safekeeping, accounting and management of financial instruments for the account of client, including safekeeping of assets and other related services such as cash or collateral management;
- 2.2. The Bank renders the licensed financial services, listed above, if it holds the relevant license, issued in the order, prescribed in the laws or other legal acts. The license is stored at the place of the Bank's registered office.

Article III. Capital of the Bank

- 3.1. The Bank capital consists of equity capital and borrowed capital.
- 3.2. The equity capital of the Bank consists of:
 - 3.2.1. Authorized capital (reduced by value of purchased own shares);
 - 3.2.2. Reserve capital (reserve fund);
 - 3.2.3. Capital reserve (issue difference);
 - 3.2.4. Last year's undistributed profit or loss;
 - 3.2.5. Long-term tangible assets revaluation reserve;
 - 3.2.6. Financial assets revaluation reserve;
 - 3.2.7. Obligatory reserve or reserve capital;
 - 3.2.8. Limited distributable profit;
 - 3.2.9. Current year's undistributed profit;
 - 3.2.10. Total reserves to cover possible loss of assets. Reserves are made from deduction of the Bank's profits or additional contributions of the Bank's shareholders. A purpose of reserves is to

cover loss that results from the risk related with the main activity of the Bank.

3.3. Borrowed capital of the Bank consists of the funds, acquired by the Bank on the ownership right under borrowing relations, by issuing long-term debt securities (bonds) or concluding loan agreements, on condition that the repayment term of the funds is no less than 2 years and that the debt securities (bonds) and loans received feature all signs of subordinated loan.

3.4. Total amount of the equity capital shares of the Bank, set in paragraphs 3.2.1 to 3.2.4 of this article can be no less than the minimum amount, prescribed in the Law on Banks.

3.5. The authorized capital of the Bank is total amount of the par values of all the registered shares. The authorized capital of the Bank is LTL 234.857.533 (two hundred thirty-four million eight hundred fifty-seven thousand five hundred thirty-three). It is divided into 234.857.533 (two hundred thirty-four million eight hundred fifty-seven thousand five hundred thirty-three) ordinary nominal shares. Par value of one share is LTL 1 (one).

3.6. Shares of the Bank are non-material; they are fixed with the help of records in the personal security accounts of the shareholders.

Article IV. Shareholders of the Bank, their Rights and Duties

4.1. Shareholder of the Bank is a person, who has acquired at least one share of the Bank in the order, provided in the laws and other legal acts. All shares of the Bank grant equal rights. One share grants one vote.

4.2. Shareholders of the Bank have the following property rights:

4.2.1. To receive a share of the Bank's profit (dividend);

4.2.2. To receive a share of the Bank's assets in case of liquidation;

4.2.3. To receive the shares free of charge in case the authorized capital is increased from the Bank's funds, except the cases, provided in the laws;

4.2.4. In case the shareholder is a natural person - to bequeath all or a part of the shares to one or several persons;

4.2.5. Following the procedure and according to the conditions stipulated by the laws, to sell or otherwise transfer all or a part of the shares to the ownership of other persons;

4.2.6. The pre-emptive right to acquire the shares issued or converted bonds of the Bank, except the case when the Meeting decides to cancel this right to all the shareholders;

4.2.7. To lend to the Bank in the ways, prescribed in the laws, but the Bank, borrowing from its shareholders, is not entitled to mortgage its assets for the shareholders. In the case the Bank borrows from its shareholder, interest rate cannot exceed the average interest rate of the commercial banks, located in the living or business place of the lender, valid on the moment the loan agreement was concluded. In such case the Bank and the shareholders are prohibited from making an agreement regarding higher interest rate;

4.2.8. Other property rights, provided in the laws.

4.3. Shareholders of the Bank have the following non-property rights:

4.3.1. To participate in the Meetings;

4.3.2. To vote in the Meetings according to the rights, granted by the shares;

4.3.3. To receive information on the Bank, as provided for in the Law on Companies;

4.3.4. To apply to court with the claim, asking to compensate the loss, made to the Bank, that has occurred because of failure to execute obligations, provided for in the laws and present Charter, duly or their omission by the Head or Board members of the Bank, as well as in other cases, provided for in the laws;

4.3.5. Other non-property rights, provided in the laws.

4.4. If a shareholder asks in writing, the Bank, within 7 days of receipt of such request, shall create the possibility for the shareholder to familiarize with and/or to submit copies of: Charter of the Bank, set of annual financial statements, Bank annual reports, auditor's conclusions and audit

reports, minutes of the Meeting or other documents with the Meeting decisions registered, Council's suggestions or observations on the Meetings, lists of the shareholders, lists of the Board and the Council members, other Bank documents deemed public under the laws, as well as minutes of Board and Council meetings or other documents recording resolutions of the mentioned bodies, if they contain no commercial secret or confidential information. A shareholder or a group of shareholders, having or possessing more than one half of the shares, may, upon providing to the Bank a written undertaking not to disclose commercial secrets or confidential information of the Bank, familiarize with all the documents of the Bank. The Bank has a right to refuse to provide a possibility for the shareholder to familiarize with and/or to submit copies of documents if it is impossible to establish the identity of the shareholder who required documents. Bank documents, their copies and/or other information shall be issued to the shareholders after having paid a fee equal to the document or information issuing costs.

4.5. Share is subject to no division into parts. In case one share belongs to several owners, all such owners are deemed a single shareholder. In this case the shareholder is represented by one of the owners with the means of a notarized proxy. All owners of the share jointly answer in the obligations of the shareholder.

4.6. Order of subscription, payment and transfer of the shares is prescribed in the laws.

Article V. Bodies of the Bank

5.1. Bodies of the Bank are as follows: general meeting of the shareholders of the Bank, Council of the Bank, Board of the Bank and Head of administration of the Bank (Head of the Bank). Board and Head of the Bank are managing bodies of the Bank.

5.2. Managing bodies of the Bank shall act in the interests of the Bank and its shareholders observe laws and other legal acts and follow the Charter of the Bank.

Article VI. General Meeting of Shareholders

6.1. The persons, who are shareholders of the Bank in the end of Meeting accounting day, are entitled to participate and vote at the Meeting. Board members, Council members, Head of the Bank, the auditor, preparing the audit conclusion and report, even if they are not shareholders of the Bank, are also entitled to participate and speak at the Meeting. The persons, not entitled to participate in the Meeting by the laws, can participate only if admitted by the Meeting.

6.2. Meeting accounting day is the 5th business day before the Meeting or the 5th business day before the repeated Meeting.

6.3. Exclusively the Meeting:

6.3.1. Amends Charter of the Bank, except of the cases, provided in the laws;

6.3.2. Elects the Council or its individual members;

6.3.3. Recalls the Council or its individual members;

6.3.4. Elects and recalls the audit company, sets terms of payment for audit services;

6.3.5. Approves a set of annual financial statements;

6.3.6. Sets class, number, par value and minimum issue price of the shares, issued by the Bank;

6.3.7. Adopts resolution regarding:

6.3.7.1. Issuing of convertible bonds;

6.3.7.2. Cancellation of the preference right to purchase shares or convertible bonds of the bank of a given issue to all of the shareholders;

6.3.7.3. Conversion of the Bank's shares of one class into another, approval of the conversion order;

6.3.7.4. Allocation of profit/loss;

- 6.3.7.5. Making, use, reduction and cancellation of reserves;
- 6.3.7.6. Increase of authorized capital;
- 6.3.7.7. Reduction of authorized capital, except of the cases, provided in the laws;
- 6.3.7.8. Purchase by the Bank of its own shares;
- 6.3.7.9. Reorganization or demerge of the Bank, approving terms of such reorganization or demerge;
- 6.3.7.10. Restructuring of the Bank;
- 6.3.7.11. Liquidation of the Bank, cancellation of liquidation of the Bank, except of the cases, provided in the laws;

6.3.8. Elects and recalls liquidator of the Bank, except of the cases, provided in the laws;

6.4. The Meeting may solve other matters, not assigned to the competence of the other bodies under the laws and Charter, if such matters are not the function of managing bodies of the Bank. The Meeting is not entitled to entrust other Bank bodies to solve the matters which are in its competence.

6.5. The Meeting is deemed occurred and can adopt resolutions if the shareholders possessing more than 1/2 of all the votes are present. Quorum is established according to the data of shareholders' registration list. Chairman of the Meeting informs everybody in the beginning of the Meeting whether quorum is present. In case quorum is present, it is considered present throughout the Meeting. In case there is no quorum, a repeated Meeting shall be convened in the order, prescribed by the laws. Such meeting has the right to make decisions according to the agenda of the failed Meeting. A quorum requirement is not applicable during the present Meeting.

6.6. If a shareholder in the cases, provided for in the laws, cannot vote in adopting resolutions on separate matters, the voting results are established using the number of the rest votes of the shareholders, who are participating and entitled to vote in the Meeting.

6.7. Shareholders, participating in the Meeting, shall be registered in the registration list. Such list shall show number of the votes of each shareholder, granted by the shares. Head of the Bank or his authorized person shall arrange registration of the shareholders. Chairman and secretary of the Meeting shall sign the registration list. If no secretary is elected, the list is signed by the chairman of the Meeting. If all the participating shareholders voted in writing, the list is signed by the Head of the Bank.

6.8. A person, participating in the Meeting and entitled to vote, shall submit a personal ID document. The person, being not a shareholder, shall also submit a document, verifying his right to vote at the Meeting. This document shall accompany the general voting ballot when the voting is conducted in writing.

6.9. Resolution of the Meeting is adopted if number of the votes "for" exceeds "against", if no larger majority is set in the laws or Charter of the Bank. If a shareholder is registered in the registration list and his votes are included into quorum, but such shareholder doesn't participate in the voting, he is deemed non-voted.

6.10. Resolutions of the Meeting on the present Charter, provided for in par. 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 are adopted by the majority vote which is no less than 2/3 of all the votes, granted by the shares of participating shareholders. Resolutions of the Meeting on the present Charter, provided for in par. 6.3.7.2 are adopted by the majority vote which is no less than 3/4 of all the votes, granted by the shares of the shareholders, participating in the Meeting and entitled to vote.

6.11. Voting at the Meeting is open. In case at least one shareholder wishes secret ballot for some particular issue, and the shareholders, having no less than 1/10 of the votes in the Meeting agree with him, secret ballot on that matter is obligatory for all the shareholders. Shareholder can vote in writing by filling a voting slip. If the shareholder employs his right to vote in writing, he, after making acquainted with agenda and draft resolutions of the Meeting, fills and delivers the Bank the general voting slip, stating his "for" or "against" separately for each resolution. The

shareholders, who vote in writing in advance, are considered participating in the Meeting and their votes are included into the quorum of the Meeting and voting results. General voting slips of failed Meeting are valid in the repeated Meeting. The shareholder cannot vote at the Meeting on the issue he has already expressed his will in writing in advance.

6.12. The shareholders, having no less than 1/10 of all the votes, as well as the Board and Council have an initiative right of convening the meeting.

6.13. Meeting shall be convened by the Board decision. Meeting shall be convened by the decision of the Head of the Bank, if number of the Board members is half or less than it is provided therein, or if the Board fails to convene the Meeting in the cases and terms provided therein.

6.14. Meeting of shareholders may be convened by the shareholders, having 1/2 of all the votes, granted by the shares, if the Board or the Head of the Bank in the case, provided in par.6.13 thereof, fail to make a decision to convene the Meeting within 10 days after receipt of a written claim from the initiators.

6.15. Meetings are ordinary and extraordinary.

6.16. Ordinary Meeting shall take place annually, within three months after the end of fiscal year.

6.17. Extraordinary general meeting must be convened if:

6.17.1. Number of the Board members falls below 2/3 of the number, provided therein or below the minimum number, set in the laws;

6.17.2. Equity capital of the Bank falls below 1/2 of the authorized capital specified therein and this issue was not discussed in the ordinary Meeting;

6.17.3. Audit company cancels contract with the Bank or is unable to check annual financial accountability of the Bank through other reasons;

6.17.4. It is requested by the shareholders with the right of initiative, the Board or the Council;

6.17.5. It is requested by supervising authority;

6.17.6. Other matters, attached to the Meeting's competence are to be solved;

6.17.7. It is requested by the laws.

6.18. Body of the Bank, persons or authority, who passes the decision to convene the Meeting, shall deliver the Bank the information and the documents, necessary to prepare notification about the Meeting. The Bank shall announce about the Meeting being convened in the web-site of the Bank, in the newspapers "Lietuvos rytas" and central base of regulated information no later than 21 days before the day of the Meeting. If a repeated Meeting is to be convened, the shareholders are to be informed in the mentioned way no later than 5 days before the Meeting. The Head of the Bank or the Chairman of the Meeting shall inform the shareholders about the documents, proving due notification of the shareholders about the Meeting in the beginning of the Meeting. These documents are to be attached to the minutes of the Meeting.

6.19. Notification of the convening the Meeting shall include the information, set by the laws.

6.20. Meeting can be convened without complying with the terms, specified in par.6.18, if all the shareholders, entitled to vote by their shares, agree in writing.

6.21. Meeting is not entitled to adopt resolutions on the other matters, not included into agenda, except the cases when all the shareholders, entitled to vote by their shares, participate and there were no written votes. Agenda of the failed Meeting is valid in the repeated Meeting.

6.22. If the agenda of the Meeting, stated in the notification of the Meeting, was amended, the shareholders are to be informed about such changes in the same way as about the convening of the Meeting no later than 10 days before the Meeting.

6.23. Before consideration of the agenda matters and voting, the Meeting shall solve procedural matters - elects chairman, secretary etc. Head of the Bank performs the duties of the Chairman before chairman is elected. Election of secretary is optional if less than 3 shareholders participate in the Meeting. No chairman and secretary are elected if all participating shareholders already voted in writing.

6.24. Course of the Meeting, voting results, resolutions and other significant circumstances of the Meeting shall be reported.

6.25. The minutes of the Meeting shall be signed by its chairman and secretary; persons, authorized by the Meeting can also sign the minutes. If no secretary is elected, chairman signs the minutes. If all the participating shareholders voted in writing, Head of the Bank shall draw and sign the minutes according to the votes received. The minutes shall be signed no later than within 7 days since the Meeting.

6.26. The list of Meeting participants, proxies and other documents, evidencing persons' right to vote, general voting slips of the shareholders, who voted in advance, as well as the documents, proving due notification of the shareholders on the meeting, observations regarding the minutes and conclusion regarding such observations of the persons, who sign the minutes, shall be enclosed with the minutes.

Article VII. Council of the Bank

7.1. The Council is a collegial body supervising the activities of the Bank and directed by its chairman. The number of members of the Council is seven (7). The Council shall be elected by the Meeting. During the election of the Council members each shareholder shall have the number of votes which is equal to the number of votes carried by the shares held by him multiplied by the number of members of the Council being elected. The shareholder shall distribute the votes at his discretion, giving them for one or several candidates. Candidates who receive the greatest number of votes shall be elected. If the number of candidates who received an equal number of votes is larger than the number of vacancies in the Council, a repeated voting shall be held in which each shareholder may vote only for one of the candidates who received an equal number of votes. The Council shall be elected for a 4-year term.

7.2. Only legally capable natural persons may serve as members of the Council. New member into the vacancy may be elected by the Meeting in the general order for the period till the end of the Council's term.

7.3. Prohibited from serving on the Council shall be:

7.3.1. Head of the Bank, its subsidiary company or patronizing company;

7.3.2. Board member of the Bank or its subsidiary company;

7.3.3. A person who, pursuant to the laws of the Republic of Lithuania, has no right to perform these duties.

7.4. Council member may be re-elected for the next term. Number of the terms for the Council members is unlimited. A member of the Council may resign from office prior to the expiry of his term upon giving a written notice thereof to the Bank at least 14 days in advance. Council members may be paid tantiemes for their work in the Council in the order, prescribed in the laws. Council members are not entitled to reassign their duties to other persons.

7.5. The Council shall commence its activities upon the closure of the Meeting which elected it or its members and continue executing their functions during the period, specified in par.7.1 thereof or until new Council is elected, but no longer than till the ordinary Meeting of the year when its term ends.

7.6. The first meeting of the Council is convened and agenda suggested by the Council member, appointed by the Meeting. Other meetings are convened by the Chairman of the Council. Council meetings may also be convened by decision of no less than 1/3 of the Council members. Meetings of the Council shall be convened in the order, prescribed in the Council regulations. Meetings of the Council shall be convened not less than 4 (four) times a year; the interval between two Meetings of the Council held in a row can not exceed 4 (four) months.

7.7. Council chairman shall be elected by the Council from the Council members.

7.8. Council shall act following its work regulation, approved by the Council. Council

members have equal rights.

7.9. Council meeting is deemed held and Council can adopt resolutions, if more than a half of its members participate in the meeting. The Council members, who voted in advance, are deemed participating in the meeting.

7.10. Resolution of the Council is adopted if number of the votes "for" exceeds "against". Resolution of the Council specified in the par. 7.12.5 and 7.12.13 of the present Charter may be adopted if all Council members vote "for". Resolution of the Council to revoke a member of the Board may be adopted if no less than 2/3 of Council members, participating in the meeting, vote "for". If Council member cannot participate in the meeting, he can communicate his will - "for" or "against" the resolution with the draft of which he has familiarized - in writing. Resolutions of the Council can be adopted in the way the Council members vote in writing, if neither of the Council members objects. At voting each member has one vote. If number of the voices "for" is equal with "against", Council chairman's vote is decisive. If there is no Council chairman or he doesn't participate in the resolution adoption, if there are equal votes, the resolution is deemed non-adopted. Voting by telecommunication equipment is equal to voting in writing, if text protection is provided and signature is possible to identify.

7.11. Meetings of the Council shall be recorded in the order, prescribed by the laws. Written minutes of the meetings of the Council shall be made available to all Council members, including those that have not participated at the meeting, within no later than 5 days, or if this is impossible, as soon as the possibility appears. Each member of the Council shall confirm in writing his familiarization with the minutes of the Council meeting and, if he disagrees with the resolutions adopted, to submit a written protest with the Council immediately.

7.12. The Council shall:

7.12.1. Elect members of the Board and remove them from office, makes recommendations to the Board regarding the candidature for the Chairman of the Board. Prior approval of the Council is necessary to obtain before setting salaries of the Board members who hold other positions in the Bank, Head of the Bank and his deputies, as well as other terms of labour contract. If the Bank works at loss, the Council must consider the suitability of the Board members for their positions;

7.12.2. Elect the members of the Internal Audit Committee;

7.12.3. Supervise activities of the Board and the Head of the Bank;

7.12.4. Supervise the implementation of the plans of Bank activities, analyze the Bank's income and expenses, own investments and capital adequacy issues;

7.12.5. Adopt Council work regulation;

7.12.6. Approve plans of Bank activities, annual budget;

7.12.7. Approve any policy related to the Bank's activities, including the risk management policy;

7.12.8. Approve the strategy of activities of any person controlled by the Bank;

7.12.9. Provide the bank with effective internal control system;

7.12.10. Make proposals and comments to the Meeting on the Bank work strategy, set of the Bank's annual financial statements, the draft of the profit distribution, annual report of the Bank as well as activities of the Board and the Head of the Bank;

7.12.11. Approve loan granting policy and set order of borrowing subject to Supervisory Board's approval;

7.12.12. Make proposals to the Board and the Head of the Bank to cancel their resolutions that contradict the laws and other legal acts, this Charter or resolutions of the Meeting;

7.12.13. Establish a list of transactions and resolutions, making or implementation of which is subject to Council's approval;

7.12.14. Adopt resolutions, assigned to Council's competence according to the order, approved by the Council; such order shall be adopted by the Council following the laws, this Charter or resolutions of the Meeting;

7.12.15. Consider other matters, which the Council shall consider or decide on in accordance with the laws and this Charter also resolutions adopted by the Meeting.

7.13. Every Council member shall take all the measures available in order the Council solved matters within its competence and in order the resolutions were in line with the requirements, set by the legal acts. Council member, failing to execute or executing inadequately this duty or other duties, prescribed in the other legal acts, shall answer in the manner similar to the members of the managing bodies of the Bank according to the laws, Charter and the agreements, made with the Bank.

7.14. The Council shall have no right to assign or delegate its functions to the other bodies of the Bank.

7.15. The Council is entitled to ask the Board and the Head of the Bank to submit the documents relating to the activities of the Bank.

Article VIII. Board of the Bank

8.1. The Board is a collegial Bank management body, consisting of five (5) members. It manages the Bank, handles its matters and is liable under the laws for execution of the Bank's financial services.

8.2. Order of the Board's activity is set by the Board activity regulation.

8.3. The Board shall be elected by the Council for a term of 4 years. If individual Board members are elected, they are elected till the end of the active Board's term.

8.4. Only competent natural persons may be appointed/elected as members of the Board. There is no limitation on the number of terms of office a member of the Board may serve. The following persons may not be appointed or elected as members of the Board: members of the Council of the Bank, its subsidiary company or the company, patronizing the Bank. A person, who under the laws of the Republic of Lithuania, may not serve on the Board, also cannot be a Board member.

8.5. The Board elects Board chairman and deputy Board chairman from its members. Board members may be paid tantiemes for their work in the Board in the order, prescribed in the laws.

8.6. Board members are not entitled to reassign their duties to other persons.

8.7. A member of the Board may resign from his post before the expiry of his term of office, notifying the Bank in writing at least 14 calendar days in advance.

8.8. The Board meetings shall be convened periodically, but no rarely than once a month. The meetings are convened by the Board chairman. Every Board member is entitled to have Board meeting convening initiative.

8.9. The Board meeting is deemed held and the Board can adopt resolutions when 2/3 of the Board's members participate in the Board meeting. The Board member can communicate his will - "for" or "against" the resolution with the draft of which he has familiarized – in advance in writing. The Board members, who voted in advance, are deemed participating in the meeting. Resolution of the Board is adopted if number of the votes "for" exceeds "against". Resolutions of the Board can be adopted in the way the Board members vote in writing, if neither of the Board members object. At voting each member has one vote. If number of the voices "for" is equal with "against", Board chairman's vote is decisive. If there is no Board chairman or he doesn't participate in the resolution adoption, if there are equal votes, the resolution is deemed non-adopted. Voting by final telecommunication equipment is equal to voting in writing, if text protection is provided and signature is available for identification. Board member is not entitled to vote when the matter, related with his performance in the Board or his responsibility is considered.

8.10. The Board shall consider and approve:

8.10.1. Annual report of the Bank;

8.10.2. The structure of the Bank management and positions; posts in which persons are

employed only by holding competitions;

8.10.3. Regulations of the branches, representatives and other separate subdivisions of the Bank;

8.10.4. Order of loan granting by the Bank, following the loan granting policy, approved by the Council;

8.10.5. Order of issuing guarantees and warranties, and taking of other liabilities;

8.10.6. Order of writing-off of loans and other debt liabilities;

8.10.7. Regulations of loan committee and risk management committee of the Bank.

8.11. The Board shall elect and remove from office the Head of the Bank. The Board sets salary and other terms of labour contract with the Head of the Bank, approves his/her office regulations, induces and punishes the Head of the Bank.

8.12. The Board determines the information to be considered commercial secret of the Bank.

8.13. The Board shall adopt:

8.13.1. Decisions on the Bank becoming the incorporator, member of other legal entities;

8.13.2. Decisions on opening branches, representatives and other separate subdivisions of the Bank as well as on cancellation of their activities;

8.13.3. Decisions on the investment, transfer or lease of long-term assets the value whereof amounts to over 1/20 of the Bank's authorized capital (calculating separately for each kind of transaction);

8.13.4. Decisions on the mortgage or hypothecation of long-term assets the value whereof amounts to over 1/20 of the Bank's authorized capital (calculating separately for each kind of transaction);

8.13.5. Decisions on offering guarantee or surety for the discharge of obligations of other entities, when the amount of the obligations exceeds 1/20 of the Bank's authorized capital;

8.13.6. Decisions on the acquisition of long-term assets the price whereof exceeds 1/20 of the Bank's authorized capital;

8.13.7. Decisions on issuing of non-convertible bonds;

8.13.8. Board work regulation;

8.13.9. Decisions on other matters it has to consider or solve under the laws or Charter of the Bank.

8.14. The Board shall set:

8.14.1. Terms for issue of the shares of the Bank;

8.14.2. Order for issue of the bonds of the Bank. When the Meeting adopts a resolution regarding issuing of convertible bonds, the Board is entitled to set additional terms of issuing and to approve bond subscription agreements, signed by the Head of the Bank or his authorized person so entitled;

8.14.3. Order and cases of employment in the Bank, when the employees are engaged with the Board's approval.

8.15. The Board shall execute the resolutions, adopted by the Meeting and the Council.

8.16. The Board shall analyze and evaluate the material submitted by the Head of the Bank on:

8.16.1. Implementation of the Bank's activities strategy;

8.16.2. Arrangement of the Bank's activities;

8.16.3. Financial situation of the Bank;

8.16.4. Results of economy activities, income and expenditure estimates, stock-taking data and other records of valuables.

8.17. The Board shall analyze, assess the Bank's set of annual financial statements and draft of the profit/loss allocation and submit them to the Board and Meeting. The Board shall determine the method of estimating material asset depreciation and real estate amortization.

8.18. The Board shall solve other matters of the Bank's activities, if they are out of the other

managing bodies' competence under the laws and this Charter.

8.19. The Board shall convene and hold Meetings in due time.

8.20. The Board shall deliver the Council all the documents, concerning Bank's activities requested.

8.21. Meetings of the Board shall be recorded in the prescribed order. Written minutes of the meeting of the Board shall be made available to all Board members, including non-participants, within no later than 5 days, or if this is impossible, as soon as the possibility appears. Every Board member shall confirm in writing his familiarization with the minutes of the Board meeting and, if he disagrees with the resolutions adopted, to submit a written protest with the Board immediately.

8.22. The Board shall perform its functions for the term fixed in the Charter or till a new Board is elected and commences its work, but no longer than till the ordinary Meeting, taking place in the year the Board's term ends. The Council can recall the Board in full or its individual members before expiration of their term.

8.23. Board chairman manages work of the Board, convenes the Board meetings, and performs other functions, provided for in the Board work regulation.

8.24. The Chairman of the Board at the same time acts as the Head of Administration of the Bank or Deputy Head of Administration of the Bank; Deputy Chairman of the Board at the same time acts as the Head of Administration of the Bank or Deputy Head of Administration of the Bank. Other Board members can at the same time hold position of Deputy Head of the Bank. Board members can hold other positions in the Bank according to the contracts concluded with them.

8.25. Every Board member shall take all the measures available in order the Board solved matters within its competence and in order the resolutions were in line with the requirements, set by the legal acts. Board member, failing to execute or executing inadequately this duty or other duties, prescribed in the other legal acts, shall be liable in accordance with the laws, Charter and the agreements concluded with the Bank.

Article IX. Head of Administration of the Bank

9.1. Head of the Bank is a single-person Bank management body. Head of the Bank has at least one deputy.

9.2. Both the Head of the Bank and his deputy must be natural persons. Both the Head of the Bank and his deputy cannot be the person, not entitled to act in such position by the laws or other legal acts. Chairman of the Board hold position of the Head of the Bank or Deputy Head of the Bank.

9.3. Work contracts are made with the Head of the Bank and his/her deputy. Work contract with the Head of the Bank is signed by the Board member, authorized by the Board. Work contract with the Deputy Head of the Bank is signed by the Head of the Bank on behalf of the Bank. Head of the Bank, having received a prior approval, sets salary and other conditions of the work contract of the deputy Head of the Bank. If the Board adopts a decision to recall the Head of the Bank or his deputy, the relevant work contract is terminated.

9.4. The Head of the Bank:

9.4.1. Arranges everyday activities of the Bank;

9.4.2. Employs and discharges employees, makes work contracts with them and terminates them, induces them and appoints penalties. The Head of the Bank is entitled to authorize another Bank employee to perform the mentioned actions;

9.4.3. Sets calculation rates for assets depreciation, applied in the Bank;

9.4.4. Without special authorization represents the Bank in its relations with other persons, in court and arbitrage;

9.4.5. Grants and cancels powers of attorney and procurements;

9.4.6. Issues orders;

9.4.7. Performs other actions, necessary to perform his functions, to implement decisions of the Bank's bodies and to secure Bank's activities.

9.5. The Head of the Bank is responsible for:

9.5.1. Arrangement of the Bank's performance and implementation of its aims;

9.5.2. Making of set of annual financial statements;

9.5.3. Making of a contract with Audit Company;

9.5.4. Delivery of information and documents to the Meeting, Board and Council in the cases, provided for in the laws or upon request;

9.5.5. Delivery of Bank documents and data to the custodian of the Register of Legal Entities;

9.5.6. Delivery of the documents to the Securities Commission and to the Central Securities Depository of Lithuania;

9.5.7. Publication of the information, prescribed by the laws and other legal acts, in the present Charter and other specified sources;

9.5.8. Information delivery to the shareholders;

9.5.9. Execution of other duties, prescribed by the laws and legal acts, this Charter and official work regulations.

9.6. The Head of the Bank acts on the Bank's behalf and is entitled to make transactions at his sole discretion, except the exceptions, stated therein or in the resolutions of the bodies of the Bank.

9.7. The Head of the Bank and his deputy, acting jointly and having the same opinion, are entitled to make subordinated loan agreements and transactions, stated in par.8.13.3 to 8.13.6 thereof, when the Board has approved making of the transactions. If order of the Bank or resolution of the Council requires approval of the Council, the Head of the Bank and his deputy are entitled to make such transactions only upon approval of the Council.

9.8. The Head of the Bank and his deputy, failing to execute or executing unduly their duties, prescribed in the legal acts or Charter, shall be liable according to the laws, to the Charter of the Bank and to the contracts made with the Bank. The laws of the Republic of Lithuania shall regulate the liability of other Bank's employees for the loss incurred by the Bank due to their fault.

Article X. Order of Adopting Resolutions Regarding Opening and Closing of Branches, Representatives and Other Subdivisions of the Bank; Order of Appointment Heads of the Branches and Representatives of the Bank

10.1. The Bank (in the relevant cases possessing the necessary licenses) is entitled to open branches and representatives in the Republic of Lithuania and abroad.

10.2. The Bank is also entitled to open other separate subdivisions of the Bank - client service centers and working places as well as to install automated points.

10.3. Board shall adopt resolutions regarding incorporation, merger and liquidation of branches, representatives and other separate subdivisions of the Bank. Board shall approve regulations of branches, representatives and other separate subdivisions of the Bank.

10.4. The Board shall set order of appointment of the heads of branches and representatives of the Bank, approve candidacies, suggested by the Head of the Bank to the posts of the heads of the branches and representatives of the Bank.

10.5. Branches, representatives and other separate subdivisions of the Bank can have a stamp. They shall act according to the laws, other legal acts and Charter of the Bank, without exceeding the powers, granted by the Bank, following regulations approved by the Board. The powers granted shall be stated in the relevant regulations.

10.6. Operations, performed by branches and other separate subdivisions of the Bank are to be included into the Bank's balance sheet.

10.7. Client service centers are territorial subdivisions of the Bank, located in the different

places than the Bank's registered office is, acting without exceeding the powers, granted by the Bank, and following the regulations approved by the Bank.

Article XI. Committees of the Bank

11.1. The Bank has the following permanently acting non-structural subdivisions: loan committee, internal audit committee and risk management committee. Order of making and competence of the loan and risk management committees are set by the legal acts of supervision authorities, this Charter, regulations, approved by the Board and other documents, approved by the bodies of the Bank.

11.2. The loan committee analyses loan request documents, solves loan granting and term amendment matters, evaluates loan risk, gives suggestions regarding loan granting, loan interest rate and loan administration procedure improvement, as well as performs other functions, set in its regulations.

11.3. The risk management committee performs the functions, related with Bank's activities efficiency, taking into consideration the acceptable risk parameters and integrally applying interest rate, capital and liquidity management, as well as performs other functions, set in its regulations.

11.4. The internal audit committee solves the matters, related with improving of the internal control system of the Bank and work improvement of the internal audit subdivision, provides independence of the internal audit subdivision performance, co-ordinates distribution of the audited fields between the internal and external auditors, considers other matters, provided for in the legal acts of supervision authorities and regulations of the internal audit committee. Following the legal acts of supervision authorities, the internal audit committee is formed, competence and order of activities fixed, regulations approved and performance supervised by the Council.

Article XII. Control of Internal Activities of the Bank

12.1. Requirements for control of internal activities of the Bank are established by the laws and legal acts of supervision authorities. Control of internal activities of the Bank is secured by a reliable and duly performing internal control system as well as independent and duly acting internal audit service. Internal audit service is headed by head of internal audit service. Natural person can be the head of internal audit service.

12.2. Internal audit service is an internal audit subdivision, rendering conclusions regarding policy, quality and observation of the procedures, analyzing and evaluating whether the internal audit service is suitable and efficient, how different internal control procedures are applied, checking if the risk assumed exceeds the risk limits set by the Bank, performing special audits, which are in line with the regulations of the internal audit subdivision, also performing other functions, set in its regulations. Internal audit committee sets functions of the internal audit service as well as order of its formation and performance.

Article XIII. Order of Making of Announcements by the Bank

13.1. Notifications of the Bank are announced and publicized by the Head of the Bank according to the documents and information delivered to him. The notifications, subject to publication in press according to the laws and other legal acts, shall be published in the newspapers "Lietuvos rytas" and in the electronic publication, allowed by the custodian of the Register of Legal Entities, for public reports. The notifications may be also delivered to the addressee upon signature or sent by mail (including registered mail). If the laws and other legal acts prescribe some specific way of announcement, the notifications are subject to relevant notification.

13.2. In the cases, prescribed by the laws or this Charter, notifications can be sent using the communication devices (such as in writing by fax or e-mail).

Article XIV. Final Provisions

14.1. This Charter comes into effect after they are filed in the register of legal entities in the order, prescribed in the laws and other legal acts.

14.2. Amendments of this Charter come into effect after they are filed in the register of legal entities in the order, prescribed in the laws and other legal acts.

Person, authorized by General Shareholders Meeting:

Chairman of the Board
Algirdas Butkus

(Signature)

The Charter is signed on 18-11-2010