

**AS BlueOrange Bank**  
**ARTICLES OF ASSOCIATION**  
**(new wording)**

**1. Firm**

The firm name of the Company is AS BlueOrange Bank.

**2. Lines of Business**

The Company shall carry on the following commercial activities:

- 1) Other monetary intermediation (NACE 2 – 64.19);
- 2) Financial leasing (NACE 2 – 64.91);
- 3) Other lending services (NACE 2 – 64.92);
- 4) Other financial service activities, except insurance and pension funding n.e.c. (NACE 2 – 64.99);
- 5) Administration of financial markets (NACE 2 – 66.11);
- 6) Security and commodity contracts brokerage NACE 2 – (66.12);
- 7) Other activities auxiliary to financial services, except insurance and pension funding (NACE 2 – 66.19);
- 8) Fund management activities (NACE 2 – 66.3).

**3. Stock Capital and Types of Shares**

3.1. The stock capital of the Company amounts to EUR 39,493,514.20 (thirty nine million, four hundred and ninety-three thousand, five hundred and fourteen Euros, 20 eurocents). The stock capital of the Company consists of 28,209,653 (twenty eight million, two hundred and nine thousand, six hundred and fifty-three) shares. The value per share is EUR 1.4 (one Euro, 40 eurocents).

3.2. All shares are registered.

3.3. The shares are dematerialised.

3.4. The provisions of increasing the fixed capital of the Company may allow for the shareholder who fails to pay the full price of the shares to retain the number of shares in proportion to the amount paid by that shareholder.

**4. Board**

4.1. The Board of the Company shall consist of five Members of the Board.

4.2. The Members of the Board shall be elected by the Council. The Chairman of the Board and their Deputy shall be elected by the Council from among the Members of the Board.

4.3. Every Member of the Board shall have representation rights jointly with another such member.

4.4. The Members of the Board shall be elected to their posts for a term of three years.

4.5. The Board shall pass its resolutions by a simple majority of votes of participants. Should the votes divide equally, the Chairman of the Board shall have the casting vote.

4.6. The Board shall require the Council's consent in passing resolutions on significant issues. Such significant issues shall cover:

- 1) acquiring substantial equity in other companies, increasing or decreasing the same, as far as this does not occur as part of the Company's normal commercial activities (acquisition and alienation of publicly circulated shares; acquiring equity, increasing or decreasing equity during restructuring of a loan in order to repay a debt in full or partially, etc.);
- 2) acquiring or alienating an enterprise;
- 3) acquiring, alienating property, encumbering the same with material rights, as far as this does not occur as part of the Company's normal commercial activities (during restructuring of a loan in order to repay a debt in full or partially, etc.);
- 4) opening or closing branches, settlement groups, and representative offices;
- 5) concluding transactions exceeding the amount specified in the Council's resolutions;
- 6) issuing loans that are not related to the Company's normal commercial activities;
- 7) commencing new lines of business and terminating current lines of business;
- 8) determining general principles of activities;
- 9) determining the strategy and organisational structure;
- 10) other issues pursuant to regulatory enactments or the Company's internal legal acts.

## 5. Council

5.1. The Council shall consist of 3 (three) Council Members.

5.2. The Council shall be elected by the meeting of shareholders for a term of 3 (three) years.

## 6. Internal Audit Service

6.1. The Internal Audit Service shall ensure fulfilment of the internal audit and supervisory functions of the Company.

6.2. The meeting of shareholders shall elect the Internal Audit Service, determine the number of its staff and its remuneration.

## 7. Audit Committee

7.1. The Audit Committee shall supervise preparation of the Company's financial statements and consolidated annual financial statements, their audit and elimination of any shortages detected therein.

7.2. The Audit Committee shall monitor the efficiency of operation of the Company's internal control and risk management system, recommend a certified auditor (a commercial company of certified auditors) to provide audit services to the Company, and verify and monitor the impartiality of the recommended certified auditor.

7.3. The meeting of shareholders shall elect the Audit Committee, determine the number of its staff and its remuneration.

Riga, 16 November 2017

On behalf of AS BlueOrange Bank

Chairman of the Board

Dmitrijs Latiševs

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/Signature/

AS BlueOrange Bank  
Member of the Board

Jānis Dubrovskis

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/Signature/

AS "BBG"  
Member of the Board

Kārlis Sālījums

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/Signature/