



Regulations of Management Board of Joint Stock Company Development Finance Institution Altum

1. Purpose and Application

The Regulations of the Management Board (hereinafter referred to as – the Regulations) of JSC Development Finance Institution Altum (hereinafter referred to as – Altum) govern the issues pertaining to the internal arrangements and operation of the Management Board, procedure for convening and conduct of the meetings of the Management Board, procedure for taking the minutes and fundamentals for execution and control of the decisions passed by the Management Board.

2. Terms and Abbreviations Used

DFI Law – Law on Development Finance Institution

Supervisory Board – Supervisory Board of Altum

Articles of Association – Articles of Association of Altum approved in the manner laid down by DFI Law

Management Board – executive institution of Altum managed and represented by Altum

Member of Management Board – a member of the Management Board of Altum

Assistant to the Management Board – assistant to the Management Board from the Administrative Department of Altum

3. General Provisions

- 3.1. The Supervisory Board effects operational supervision of the Management Board of Altum.
- 3.2. The rights, obligations and duties of the Management Board are outlined in the Commercial Law, DFI Law, Law on Governance of Capital Shares of a Public Person and Capital Companies, Articles of Association, employment contracts as well as other binding laws and regulations.
- 3.3. Should any article of these Regulations be in contradiction with the effective laws and regulations of the Republic of Latvia, the laws and regulations of the Republic of Latvia shall prevail.

4. Conduct of Management Board's Meetings

- 4.1. The chairperson of the Management Board convenes and chairs a meeting of the Management Board. In the event of long-term absence of the chairperson of the Management Board, a meeting of the Management Board is convened and led by a chair authorised by the Management Board.
- 4.2. The meetings of Altum's Management Board take place every Wednesday at 9.30 a.m. unless stated otherwise. To examine urgent and important matters a meeting of the Management Board may be convened at any other time when requested by a member of the Management Board, chairperson of the Management Board, representatives of the shareholders or Supervisory Board provided the submitter of the request has informed the chairperson of the Management Board or the member of the Management Board authorised in his/her long-term absence at least two hours beforehand. Tasked by the chairperson of the Management Board or authorised member of the Management Board the assistant to the Management Board shall immediately start organising the meeting by sending an electronic invitation to all the members of the Management Board and invited participants, if any, or by informing by telephone or word of mouth.

- 4.3. The meetings of the Management Board take place:
 - 4.3.1. in person with the members of the Management Board presenting themselves at Altum's Head Office, Doma laukums 4, Riga, unless other venue has been specified;
 - 4.3.2. off-site:
 - 4.3.2.1. via teleconference. Should the meeting take place via teleconference, the assistant to the Management Board shall contact all the participants of the meeting and inform of the telephone number for the teleconference and 4-digit access code chosen by the assistant to the Management Board;
 - 4.3.2.2. on separate occasions a member of the Management Board may call in during the meeting of the Management Board to the cellular phone of the chair of the Management Board meeting with a switched-on loudspeaker (if a member of the Management Board cannot take part in the meeting, but participation is required).
- 4.4. The members of the Management Board are obligated to participate in the meetings of the Management Board at the times specified, get acquainted with the received materials and draft decisions in due time. A member of the Management Board is entitled to request additional information and submit proposals and objections regarding the item under examination.
- 4.5. A member of the Management Board is obligated to inform in due time the chairperson of the Management Board or chair authorised by the Management Board to chair the meetings in absence of the Management Board's chairperson: either by telephone, e-mail or word of mouth that he/she cannot attend the Management Board's meeting. Such action must be justified.
- 4.6. The Management Board is deemed competent if more than half of the members as stated in the Articles of Association take part in a meeting. Should the Management Board examine an item on which a member of the Management Board may not decide and vote, the Management Board is deemed competent provided more than half of the Management Board's members participate in the meeting, apart from the member of the Management Board that does not vote.
- 4.7. A member of the Management Board shall not decide on the item that represents a conflict of interests for that member or item that directly or indirectly concerns a spouse, brothers, sisters, parents or children of the member of the Management Board or parents, brothers, sisters of his/her spouse or companies where the Management Board's member or persons referred to earlier, either directly or indirectly, have a qualifying holding or hold a post of a board member or are working in the executive or supervisory institutions of such companies or have significant influence over these companies. The member of the Management Board shall leave the Management Board's meeting while the item in question is being examined.
- 4.8. Should a member of the Management Board be withdrawn or file with Altum his/her resignation from the post of the Management Board's member, the Management Board, provided it has maintained legal capacity, shall continue to work in the remaining composition until the Supervisory Board appoints a new member to the Management Board. The Management Board's member may not cast a vote at the meeting of the Management Board after the resignation date.
- 4.9. The members of the Supervisory Board, representatives of the holders of the state capital shares, Head of the Internal Audit Division and other employees of Altum who have been invited may attend the meetings of the Management Board in advisory capacity.
- 4.10. The meeting of the Management Board examines the items that have been included in the agenda of the Management Board. It is the chairperson or member of the Management Board who includes an item in the agenda of the Management Board's meeting by noting on the draft decision the following text: "Include in the agenda of the Management Board dated day.month.year", signing, and passing it over to the assistant to the Management Board for preparation of the materials for the meeting.
- 4.11. Should there be a proposal to examine an item that has not been included in the agenda, the chair of the Management Board's meeting establishes at the beginning of the meeting the opinion of the present members of the Management Board as to inclusion of a new item in the agenda. The members of the Management Board present either approve or reject the item if more time is needed to get acquainted with the essence of the item and documentation.

- 4.12. The chair of the Management Board's meeting announces the item to be examined, if needed, provides his/her comments and invites the employee in charge and competent in the item to report.
- 4.13. Once the item in question has been commented upon, the chair of the Management Board's meeting invites the members of the Management Board to voice their opinions and ask questions.
- 4.14. Having heard the opinions and comments voiced by the persons present at the Management Board's meeting, the chair of the Management Board's meeting formulates the final decision and invites the members of the Management Board to vote. A member of the Management Board shall not abstain from voting. Should a member of the Management Board abstain from voting, it shall be considered that the member of the Management Board has voted 'against'.
- 4.15. The Management Board passes its decisions by open ballot with a simple majority of votes. Each member of the Management Board has one vote.
- 4.16. The voting proceeds as follows:
 - 4.16.1. when in person – by raising a hand. The chair of the Management Board's meeting names how many members of the Management Board have voted 'for' and how many have voted 'against', informs which member of the Management Board has not taken part in voting due to the reasons listed under Article 4.8. and announces the decision of the Management Board;
 - 4.16.2. when off-site: a member of the Management Board voices clearly his/her decision – 'for' or 'against' over the telephone.
- 4.17. The Management Board may postpone passing of the decision if more time is needed for examining of the item or clarification of additional information.
- 4.18. Once all the agenda items have been examined, the chair of the Management Board's meeting declares the meeting closed.
- 4.19. Should there be an item included in the agenda that falls within competence of the Supervisory Council or shareholders' meeting and Management Board has decided to forward this item to the Supervisory Board or shareholders' meeting, the Management Board shall provide for preparation of the materials required for passing a decision at the Supervisory Board or shareholders' meeting and dispatch it to the Supervisory Board / representatives of shareholders suggesting the preferred date for convening of the meeting of the Supervisory Board / shareholders.
- 4.20. The minutes shall be taken down at the meetings of the Management Board. The assistant to the Management Board shall take the minutes at the Management Board's meetings.
- 4.21. The minutes of the Management Board's meeting shall document the voting results recording the vote of each member of the Management Board either 'for' or 'against' in respect of each decision. Should a member of the Management Board disagree with the decision of the Management Board and vote 'against' the decision, his/her different opinion shall be documented upon request in the minutes of the Management Board's meeting.
- 4.22. The assistant to the Management Board shall draft the minutes of the Management Board's meeting within two working days of the Management Board's meeting. The minutes are formatted in line with the requirements of the laws and regulations with reporting and decision sections. Prior to signing of the minutes only editorial and grammatical corrections may be made to the decisions carried by the Management Board without co-ordination with each member of the Management Board who has participated in the respective meeting of the Management Board.
- 4.23. The minutes of the Management Board's meeting are signed by the chair of the Management Board's meeting, the minute taker and all members of the Management Board who were present at the meeting. The members of the Management Board shall sign the minutes within two working days after they have received the minutes from the assistant to the Management Board by signing each page of the minutes. If any member of the Management Board has participated in the meeting of the Management Board off-site and he/she has not had a chance to come and sign the minutes in person within two days of the Management Board's meeting, the assistant to the Management Board shall send the minutes to the office e-mail of the member of the Management Board. The member of the Management Board shall sign the minutes using a secure electronic signature. The member of the Management Board shall sign the minutes in paper format as soon as possible.

- 4.24. The member of the Management Board is entitled to get acquainted with the minutes of the Management Board's meetings that have taken place in his/her absence.
- 4.25. The assistant to the Management Board shall distribute the minutes of the Management Board's meetings to the structural units and employees only once the minutes have been signed by all members of the Management Board who were present at the Management Board's meeting. If the matter is urgent the assistant to the Management Board may release an excerpt from the minutes before the minutes have been signed provided the chairperson of the Management Board or the authorised member of the Management Board who has been the chair of that Management Board's meeting has signed it.
- 4.26. The assistant to the Management Board keeps the minutes of the Management Board's meetings and original copies of the documents appended thereto until they are archived.

5. Preparation of Documents for Management Board

- 5.1. The agenda of the Management Board's meeting includes items that have been submitted to the assistant of the Management Board following the procedure outlined in Article 4.10 of the Regulations by 12.00 noon one working day before the weekly meeting of the Management Board.
- 5.2. The assistant to the Management Board shall submit to the Management Board's members the agenda of the Management Board's meeting and a full set of the documents for the agenda items by 4 p.m. one working day before the weekly meeting of the Management Board. Should the Management Board's meeting be convened urgently, the assistant to the Management Board shall distribute to the members of the Management Board the materials of such meeting as a matter of urgency (electronically or in paper format). In such a case the draft decision, documents and other materials may be distributed during the meeting.
- 5.3. The presentation (text) of the items to be examined at the Management Board's meeting and draft decision of the Management Board's meeting must be accurate, in line with the laws and regulations, successive and concise, the aims and assignments to be accomplished must be formulated clearly with execution deadlines and name of the person in charge of execution given.
- 5.4. The employee in charge of preparation of the item shall submit to the assistant to the Management Board the following:
 - 5.4.1. a report outlining the nature of the item required for decision-taking (for instance, economic rationale; legal argumentation substantiating necessity to take the decision; estimate of consequences in the event of passing or non-passing of the decision; information on execution status of the decisions passed on the specific issue earlier, a.o.);
 - 5.4.2. draft decision of the Management Board (both in paper and electronic format);
 - 5.4.3. draft of the document to be approved with a co-ordination statement printed out of from the E-work co-ordination process – if it is a regulatory document that is being approved or amended;
 - 5.4.4. if the co-ordinator is a committee – the draft decision with committee's decision (excerpt from the minutes).
- 5.5. The draft decision of the Management Board and report shall be signed by the employee in charge and shall be co-ordinated with:
 - 5.5.1. the head of the structural unit or member of the Management Board in charge under whose area of competence the respective item lies;
 - 5.5.2. other heads of the structural units who, in accordance with their competence, are directly related to the issues covered by the document.
- 5.6. When submitting the materials to the assistant to the Management Board the employee in charge shall indicate the following:
 - 5.6.1. the participants to be invited to the meeting of the Management Board for examination of the item, if such are needed;
 - 5.6.2. the structural units to which the excerpt from the minutes of the Management Board's meeting must be sent after adoption of the decision.

6. Execution and Control of Management Board's Decisions

- 6.1. The decision of the Management Board comes into effect as of the moment the decision is passed, unless there is a different date of entry into force specified in the decision.

- 6.2. The employee of Altum who has been delegated by the decision of the Management Board's meeting to execute the specific assignment is responsible for execution of the Management Board's decision. Irrespective of the aforementioned the Management Board shall control execution of the decisions passed at the Management Board's meeting. Once a week the assistant to the Management Board shall prepare a review on execution progress of the Management Board's decisions (deadlines, structural unit in charge, assignment). The review shall include the decisions previously passed by the Management Board requiring repeated reporting to the Management Board within the specified deadline. The review shall be appended also the reports of the structural units that were prepared for the particular Management Board's meeting and included in the review without preparation of the draft decisions.