

Regulations of Management Board

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 conducting 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.

Decision-making body – Credit Committee of the Head Office, Stressed Assets Management Committee, holders of private authorisations.

Supervisory Board – Supervisory Board of Altum.

Articles of Association – Articles of Association of Altum.

Management Board – executive body of Altum managed and represented by Altum.

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

Assistant to the Management Board – an employee of the Administrative Department of Altum.

3. General Provisions

3.1. 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, authorisation contracts as well as other binding laws and regulations.

3.2. 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, Drafting and Storing of Minutes

4.1. The chairperson of the Management Board convenes and chairs a meeting of the Management Board. In the event of 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.

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4.2. The meetings of Altum's Management Board take place every Wednesday 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 authorised member of the Management Board 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, unless other venue has been specified;

4.3.2. remotely via MS Teams platform. Should the meeting take place remotely via MS Teams platform, the assistant to the Management Board shall send an electronic invitation to all participants of the meeting. The minutes shall specify that the meeting of the Management Board takes place remotely.

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. The members of the Management Board are 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 involves a conflict of interest for that member, circumstances that independently and objectively hinder performance of one's obligations, including those related to family, emotional ties, political or national affiliation, economic interests or any other direct or indirect private interests or item that directly or indirectly concerns a spouse, brothers, sisters, parents or children of the Management Board's member 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 bodies of such

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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. Should a member of the Management Board not participate in examination of an item, the assistant to the Management Board shall note it in the minutes of the Management Board's meeting.

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 meetings of the Management Board are closed and only the members of the Management Board, persons invited by members of the Management Board and person taking the minutes may participate.

4.10. The meeting of the Management Board examines the items that have been included in the agenda of the Management Board. The chairperson of the Management Board or member of the Management Board in charge of the structural unit includes an item in the agenda of the Management Board's meeting by sending an electronic coordination to the assistant of the Management Board who organizes uploading of the materials to the internal network's directory T:\Management Board\.

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 Management Board passes its decisions by open ballot with a simple majority of votes. Each member of the Management Board has one vote – 'for' or 'against'. A member of the Management Board may not abstain.

4.13. The voting proceeds as follows:

4.13.1. when in person – a member of the Management Board voices his/her decision unequivocally clearly – 'for' or 'against'.

4.13.2. when remotely – a member of the Management Board via MS Teams platform voices his/her decision unequivocally clearly – 'for' or 'against' with a switched-on microphone and screen.

4.14. The Management Board may postpone passing of the decision if more time is needed for examining of the item or clarification of additional information.

4.15. Once all the agenda items have been examined, the chair of the Management Board's meeting declares the meeting closed.

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4.16. Should there be an item included in the agenda that falls within competence of the Supervisory Board 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 all the materials required for passing a decision at the Supervisory Board or shareholders' meeting and assistant to the Management Board shall dispatch them to the Supervisory Board / representatives of shareholders.

4.17. The minutes shall be taken down at the meetings of the Management Board. The assistant to the Management Board is charged with accurate representation and registration of the proceedings of the Management Board's meeting.

4.18. 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.

4.19. The assistant to the Management Board shall draft the minutes of the Management Board's meeting on the next working day following 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 Management Board's meeting.

4.20. 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 five working days after they have received the minutes from the assistant to the Management Board. The member of the Management Board shall sign the minutes using a secure electronic signature that contains a time seal.

4.21. A 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.

4.22. The assistant to the Management Board shall send the excerpts of the minutes of the Management Board's meeting to the structural units and employees after the minutes have been signed.

4.23. The minutes of the Management Board's meetings and original paper copies of the documents appended thereto are stored with the assistant to the Management Board until archived, electronic versions – in the folder 'Minutes of Meetings – Minutes of Management Board's meetings' of the information system 'System for Management of Documents'.

5. Preparation of Documents for Management Board's Meeting

5.1. The following may submit items for the Management Board's meeting:

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- 5.1.1. any member of the Management Board;
- 5.1.2. head of the structural unit;
- 5.1.3. another employee who has been assigned this task.

5.2. The agenda of the Management Board's meeting includes items that have been submitted to the Management Board's assistant following the procedure outlined in Article 4.10 of the Regulations by 3 p.m. one working day before the weekly meeting of the Management Board.

5.3. Not later than by 4 p.m. one working day before the weekly meeting of the Management Board the assistant to the Management Board shall upload electronically a full set of the documents of the items to be examined that has been received from the Management Board's members and agenda of the Management Board's meeting to the internal network's directory T:\Management Board\ folder of the specific meeting's date. 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. In such a case the draft decision, documents and other materials may be distributed during the meeting.

5.4. 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.

5.5. Except for the items prepared by the Investment Committee and decision-making bodies, the employee in charge of preparation of the item shall submit to a member of the Management Board the following:

5.5.1. a report outlining the essence of the item required for decision-taking (for instance, economic rationale, legal argumentation substantiating necessity to pass 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.);

5.5.2. draft decision of the Management Board;

5.5.3. draft of the document to be approved accompanied by co-ordination page that has been generated from the information system 'System for Management of Documents' – if it is a regulatory document that is being approved or amended;

5.5.4. if the co-ordinator or submitter of the item is a committee, the draft decision must be appended the committee's decision (excerpt from the minutes).

5.5. Prior to submitting the draft of the Management Board's decision and report to the Management Board's member in charge, the employee in charge shall electronically co-ordinate them with:

5.5.1. the head of the structural unit, except for the items directed by the decision-making body or committee;

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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;

5.5.3. the lawyer in charge of the respective structural unit, if required.

5.6. When submitting the materials, the employee in charge shall indicate the following in the Management Board's draft decision:

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.

5.7. Should the regulations of the decision-making body or other regulatory document stipulate that the item must be examined by the Management Board, the Transactions Administration Division of the Loans and Guarantees Department shall send the draft decisions together with supporting documents required for passing of the decision to the Management Board's assistant within the deadline specified in Article 5.2 of the Regulations. The electronic vote on the decision shall be recorded in accordance with 'Instructions for Preparation and Use of E-decisions in CRM'.

5.8. Should the regulations of the Investment Committee or other regulatory document stipulate that the item must be examined by the Management Board, the Financial Intermediaries Division shall send the draft decisions together with supporting documents required for passing of the decision to the Management Board's assistant within the deadline specified in Article 5.2 of the Regulations. The electronic vote on the decision shall be recorded in accordance with 'Instructions for Preparation and Use of E-decisions in CRM'.

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 time-limit for 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 decision if such is not needed.