



## THE RULES FOR GRANTING SHARES

### I. GENERAL PROVISIONS

- 1.1. These Rules for Granting Shares (hereinafter - the **Rules**) establish the procedure according to which the Bank shall grant the Shares to the Employees as part of the variable remuneration payable to the Employees.
- 1.2. The Bank shall be responsible for allocation and implementation of variable remuneration for the Employees in accordance with the Bank's internal documents. The variable remuneration, including granting of Shares, shall be assigned, approved and paid to the Employees in accordance with the terms and procedures set out in the Bank's internal documents. The General Meeting of Shareholders of the Bank, in accordance with the requirements of the Law on Companies of the Republic of Lithuania, establishes by these Rules the manner in which Shares may be granted to the Employees. The Rules do not regulate the Bank's obligations regarding allocation, calculation and payment of variable remuneration to the Employees.
- 1.3. Definitions used in the Rules:
  - 1.3.1. **Shares** - ordinary registered shares of the Bank specified in the Charter of the Bank with a nominal value of 0.29 (twenty-nine hundredths) euro each, which are granted by the respective Bank's body free of charge to the Employees as part of the variable remuneration payable to them.
  - 1.3.2. **Bank** - Public Limited Liability Company Šiaulių Bankas, legal entity code 112025254.
  - 1.3.3. **The Bank's internal documents** are the Bank's internal legislation on remuneration policy approved by the relevant bodies of the Bank (General Meeting of Shareholders, Supervisory Council, Remuneration Committee, Management Board, Chief Executive Officer and / or other executives), including granting and payment of variable remuneration to the Employees, which are prepared in accordance with the valid regulations of the Republic of Lithuania applicable to the Bank, including the Resolution of the Board of the Bank of Lithuania on Minimum Remuneration Policy Requirements for Employees of Credit Institutions.
  - 1.3.4. **Employee (s)** - is an employee of the Bank and / or the Bank's subsidiaries subject to a variable remuneration system whose professional activities have a significant impact on the risk profile of the Bank and its group and, as a result, such employee under the effective laws of the Republic of Lithuania, the European Union and the Bank's internal documents is considered to be a beneficiary of the variable remuneration (including his/her part of the remuneration in Shares).

### II. PROCEDURE FOR GRANTING SHARES

- 2.1. Shares are granted to Employees whose professional activities and / or decisions taken may have a material impact on the risk assumed by the Bank. The Employee (individuals) groups to which the Shares are granted include:
  - 2.1.1. Members of the Bank's Supervisory Council who relate to the Bank through a labour relationship;
  - 2.1.2. Members of the Bank's Management Board who relate to the Bank through a labour relationship;
  - 2.1.3. Bank's Administration: Chief Executive Officer, his deputies, heads of divisions;
  - 2.1.4. other Employees whose professional activities and / or decisions may have a significant effect on the risk profile of the Bank, in accordance with the principle of proportionality (taking into account the size of the Bank, the organizational structure, the system of powers and limits, the nature, scale and complexity of the activities, and the impact of specific positions of the Bank to the nature and size of the risk assumed by the Bank) and who, according to the Bank's internal documents, are assigned as beneficiaries of the variable remuneration.

- 2.2. Shares are provided to Employees free of charge. The Employee, upon receiving the Shares free of charge, shall ensure that the Bank, in accordance with the procedure established by the laws of the Republic of Lithuania, can fulfil the tax obligations related to granting of the Shares.
- 2.3. Decision on the allocation of Shares as a variable component of remuneration to Employees, i.e. decision on how many Shares the Employee is entitled to receive is made by the Board of the Bank and / or the Supervisory Council of the Bank in accordance with the Bank's internal documents.
- 2.4. The Board of the Bank is responsible for granting of allocated Shares to the Employees, i.e. for the implementation and organization of the process of transferring Shares to ownership of the Employees. When organizing this process, the Board of the Bank shall not reconsider or assess the decisions of the relevant bodies of the Bank regarding the allocation of Shares.
- 2.5. In accordance with these Rules, Shares may be granted to Employees in the following ways:
  - 2.5.1. by granting the Employee the right to receive newly issued shares of the Bank free of charge from the Bank's funds (from the reserve for granting shares) which are issued by the resolution of the General Meeting of Shareholders of the Bank; and / or
  - 2.5.2. by transferring the Bank's own shares to the Employee free of charge.
- 2.6. Decisions to issue a new issue of the Bank's shares or to acquire the Bank's own shares for the Employees may only be made if the Bank's *reserve for granting Shares* or in the Bank's *reserve for the acquisition of own shares* contains sufficient funds for the issue or repurchase of Shares.
- 2.7. The Board of the Bank shall choose the manner or ways in which the Shares will be granted to the Employees.
- 2.8. If it is not possible to provide Shares to Employees in the manner provided for in these Rules (e.g. because of insufficient reserves for the issue of shares or acquisition of own shares, or if the General Meeting of Shareholders of the Bank does not approve the issue of new shares of the Bank), the Bank shall fulfil its obligations to the Employees, including for the granting of Shares, as part of the variable remuneration payable to them, in another manner chosen by the Bank and not covered in these Rules.

### III. FINAL PROVISIONS

- 3.1. The Rules, their amendments and supplements shall be prepared by the Chief Executive Officer and submitted to the Board of the Bank for consideration. The Board of the Bank analyses, evaluates the proposed amendments and supplements to the Rules and submits them to the Bank's Supervisory Council and to the General Meeting of Shareholders of the Bank together with the comments and suggestions. The General Meeting of Shareholders approves the Rules, their amendments and supplements. The Rules, their amendments and supplements come into force upon their approval by the General Meeting of Shareholders of the Bank.
- 3.2. The Rules are of a permanent nature, i.e. their application is not defined by a specific period or event. In case of changes in legislation of the Republic of Lithuania regulating the procedure for granting Shares as part of the variable remuneration, the Bank shall provide the Employees with the Shares in accordance with these Rules (which shall not be subject to amendment thereof) insofar as they do not contradict the mandatory legislation valid in the Republic of Lithuania and applicable to the Bank.
- 3.3. The Rules are publicly available on the Bank's website.
- 3.4. The Board of the Bank shall provide information on the application of the Rules to the Ordinary General Meeting of Shareholders. The Bank shall provide summarized information about the Bank's issued Shares granted to the Employees during the reporting calendar year, unless legislation effective in the Republic of Lithuania and applicable to the Bank requires the Bank to provide other information. Information on the application of the Rules may be included in the annual report of the Bank or submitted to the General Meeting of Shareholders of the Bank for information as a separate report.