

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 all or 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 Articles of Association of the Bank, which are granted by the respective Bank's body 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 *Remuneration Policy* approved by the Bank's General Meeting of Shareholders and any other Bank's internal legislation on implementation/application of the remuneration policy approved by the relevant bodies of the Bank (Supervisory Council, 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 drafted in view of the *Guidelines on Sound Remuneration Policies* (EBA/GL/2021/04).
 - 1.3.4. **Employee (s)** - is an employee of the Bank and / or the Bank's subsidiaries subject to the Bank's Remuneration Policy and/or Variable Remuneration system (hereinafter referred to as the **Group companies**) (hereinafter both the Bank and the Group companies referred to as the **Group**).
 - 1.3.5. **Variable Remuneration** - the variable remuneration assigned to Employees in accordance with the Bank's *Remuneration Policy* and other Bank's internal documents.

II. PROCEDURE FOR GRANTING SHARES

- 2.1. Shares are granted to Employees of the Bank and Group companies to whom, in accordance with the Bank's/Group company's internal documents governing remuneration, Variable Remuneration (or part thereof) is allocated and is to be paid in Bank Shares.
- 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 Remuneration or part thereof to Employees, i.e. decision on how many Shares the Employee is entitled to receive is made by the Management Board of the Bank and / or the Supervisory Council of the Bank in accordance with the Bank's internal documents.

- 2.4. The Management 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 Management 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 shall be granted to Employees free of charge (i) by way of a new issue of Bank's Shares to Employees from the Bank's funds, or (ii) by way of a transfer to Employees of the Bank's treasury Shares. The Management Board of the Bank shall select the manner or ways in which Shares will be granted to Employees.
- 2.6. The Bank shall grant Shares to Employees through the exercise of option transactions concluded with the Employees or in such other form as may be determined by the Management Board of the Bank.
- 2.7. A decision to issue a new issue of the Bank's shares or to acquire the Bank's own shares may only be made if appropriate reserves have been established in the Bank: a *reserve for granting shares* or a *reserve for the acquisition of own shares* as provided in the Law on Companies of Republic of Lithuania.
- 2.8. If it is not possible to provide Shares to Employees in the manner provided for in these Rules (e.g. due to the absence of appropriate reserves or 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 or all 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 Management Board of the Bank for consideration. The Management 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 Management 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.
