

Regarding changes to the Remuneration policy

AB Artea Bank (hereinafter referred to as the Bank), legal entity code 112025254, address Tilžės g. 149, Šiauliai, Lithuania, and the Bank's subsidiaries (hereinafter referred to as the Group companies) operate in accordance with the Remuneration Policy approved by the Bank's General Meeting of Shareholders on March 31, 2025 (hereinafter referred to as the Policy). The Bank has prepared and is submitting a proposal to the 2026 General Meeting of Shareholders to approve the updated version of the Policy.

Reasons for updating the Policy:

The Policy has been amended:

- to introduce an employee stock option program (ESOP)
- in execution of the Policy review (at least annual) in order to assess its compliance with legal regulations and changes thereto, as well as with best practice and its application in practice.

Main proposed changes to the Policy:

I. The Bank seeks to introduce an employee stock option program, the specific terms and conditions of which would be determined by the Bank's Supervisory Board or, on its behalf, by the Bank's Management Board. To this end, new sections 4.41 and 4.42 have been added to Chapter IV of the Policy:

- 4.41. Bank share options are an incentive measure classified as a component of variable remuneration for Group employees, excluding Nominated Employees, which grant a Group employee the right, upon expiry of the period specified in the option agreement and after fulfilling other conditions set forth in the option agreement and in the internal legal acts, to acquire Bank shares free of charge or at a preferential price.
- 4.42. The conditions for granting Bank share options, including the categories of Group employees that might be eligible for this incentive, the rules for determining the number of shares under share options, as well as the procedures for concluding and exercising option agreements, are established by the Supervisory Council of the Bank. The Supervisory Council of the Bank may delegate the determination of certain share option program conditions to the Management Board of the Bank.

II. Taking into account the needs arising in its activities and best practice, the Bank seeks to provide for the possibility, where relevant and appropriate, to award one-off bonuses not only in the form of cash payments, but also in other forms that do not contravene legislation (e.g., gift vouchers), as well as to have the possibility to apply retention bonuses to help retain employees when implementing important projects or undergoing other significant changes. To this end, the definition and conditions of application of the term "*one-off* bonus" defined in Chapter IV of the Policy are being clarified by amending point 4.43 and adding a new point 4.44:

- 4.43. One-time bonuses shall mean the portion of the variable remuneration awarded at the Bank's or Group Company's initiative that can be awarded to reward an employee for his/her good work, individual or group performance or results, exceptional commitment to values, project activities and results, loyalty, etc. One-time bonuses are awarded and paid in cash or, provided this does not conflict with applicable law, by other means (e.g., gift vouchers or other types of prizes) based on the value added generated, scope of work, project relevance to the Group, project execution timeline, personal time allocated for preparation/participation, under employee reward schemes, etc.
- 4.44. Retention bonuses, which are awarded by the Bank or Group companies on their own initiative and in exceptional cases, are also classified as one-time bonuses. The following requirements must be met when awarding and paying retention bonuses:
- 4.44.1. it may be granted to retain key employees for the Group during the implementation of important projects or in the event of other significant occurrences for the Group;

- 4.44.2. the decision to award a retention bonus shall specify the justification for its award, the period, the applicable conditions and the date or event after which it is determined whether the retention and performance conditions have been met, which must be different from the performance results or indicators applicable to other parts of the variable remuneration;
- 4.44.3. a retention bonus is awarded to employee after serving a period within the Group specified in the decision to award the retention bonus and/or upon achieving other performance outcomes or indicators linked to the granting of the retention bonus;
- 4.44.4. more than one retention bonus may be awarded to an employee only in exceptional cases, when retention bonuses are awarded for different periods;
- 4.44.5. a retention bonus may not be granted to compensate for the variable remuneration linked to the employee's performance or part thereof, which was not received due to insufficient results or the financial situation of the Bank or the Group company;
- 4.44.6. where retention bonuses are granted to Nominated Employees, all the principles for granting and paying Annual variable remuneration apply, including the maximum permitted ratio between fixed and variable remuneration, ex-post adjustments, payment in Bank shares, deferral, retention, clawback, and other applicable requirements.

III. The minor changes have been made to the policy to ensure greater clarity and consistency with legal requirements (e.g., the requirements of the EU Transparency Directive).

The proposed draft of the Policy complies with the legal requirements applicable to the remuneration policies of credit institutions and public limited companies whose shares are admitted to trading on a regulated market.

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