

Artea Bank AB Audit Committee Recommendation for the Appointment of Audit Firm

Pursuant to Article 16 of Regulation (EU) No 537/2014 (the Regulation) Artea Bank AB (the Bank), conducted a public tender process for the selection of an audit firm to audit the consolidated annual financial statements of the Bank and its Group companies and to issue the sustainability reporting assurance.

In accordance with the Article 16(3) of the Regulation and Article 58(3)(6) of the Law on the Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the Regulations of the Audit Committee of the Bank, the Audit Committee evaluated the audit firms' proposals submitted in the tender process and, based on this evaluation, makes this recommendation for the appointment of the audit firm.

The Audit Committee confirms that the audit firm selection process did not involve any influence from third parties and that none of the provision specified in the Article 16(6) of the Regulation were applied.

The selection and evaluation of tenderers were carried out in accordance with Article 16(3) of the Regulation and the Bank's Financial Statements Preparation and Publication Policy. Based on a comprehensive evaluation of the tenderers' professional experience, qualifications, capability to audit financial statements prepared in accordance with International Financial Reporting Standards, and proposed fees the Audit Committee identified the following two audit firms as suitable candidates:

- UAB "KPMG Baltics" (KPMG); and
- UAB "PricewaterhouseCoopers" (PwC).

The Audit Committee has decided to recommend KPMG as a preferred vendor based on the outcome of the tender evaluation and previous experience in the last four years, which highlighted, in particular, its extensive experience in auditing financial institutions of comparable size and complexity, the proposed audit team's sector-specific expertise, and the relevance of its proposed audit approach. While PwC was also assessed as a suitable candidate, the Audit Committee considers that KPMG offers a stronger alignment with the Bank's audit needs for the forthcoming audit cycle.

Following its assessment, the Audit Committee submits this recommendation to the General Meeting of Shareholders for the appointment of KPMG as the independent audit firm of the Bank and its Group companies for a four-year term.

Certified by:

Secretary of the Audit Committee

Marija Bučytė