

Release date: 22.02.2021

Version and approval date: 21.07.2021.

Document developer: Supervisory board

Approved by the Decision of AS DelfinGroup
Supervisory Board as of 21 July 2021 Minutes
No 08/2021

**AS DELFINGROUP
CHARTER OF THE SUPERVISORY BOARD NO 12PL7-1**

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1. GENERAL PROVISIONS

- 1.1. The Charter of the supervisory board of DelfinGroup defines the organisation of the supervisory board's work, circulation of information thereof, procedure of preparing and convening the meetings of the Supervisory Board, the course of the meetings, as well as decision-making.
- 1.2. The members of the supervisory board shall comply with the Charter, unless it is in contradiction with DelfinGroup's Articles of Association and applicable laws.
- 1.3. The duties and tasks of the members of the supervisory board are provided for in the Commercial law, the Articles of Association, the DelfinGroup Corporate Governance Policy, this Charter of the Supervisory Board and other internal regulations.
- 1.4. DelfinGroup provides the necessary resources for the operation of the supervisory board.

2. CHAIR OF THE SUPERVISORY BOARD

- 2.1. Members of the supervisory board shall elect The Chair of the supervisory board and at least one Deputy Chair from among themselves,
- 2.2. The deputy chair of the supervisory board shall perform the duties of the Chair of the supervisory board in the absence of the Chair or the Chair of the supervisory board has entrusted the Deputy Chair with the task.
- 2.3. The Chair of the supervisory board ensures the work of the supervisory board in accordance with laws, the Articles of Association, this Charter and other binding documents, including policies.
- 2.4. The Chair of the supervisory board represents the supervisory board in communication with the DelfinGroup's stakeholders as well as the media.

3. CONVENING OF SUPERVISORY BOARD MEETINGS

- 3.1. The supervisory board shall meet at least once in two months.
- 3.2. The supervisory board shall approve the work calendar of the supervisory board, which includes the the dates of current meetings, topics (matters) to be reviewed, as well as other activities of the supervisory board.
- 3.3. All supervisory board members or management board are entitled to propose the convening of an extraordinary supervisory board meeting by notifying the Chair of the supervisory board or the Deputy Chair of the supervisory board in writing justifying necessity and purpose of convening such meeting.
- 3.4. Should the Chair of the supervisory board fail to convene an extraordinary supervisory board meeting within two weeks following the request, the initiator of the extraordinary supervisory board meeting has the right to convene an extraordinary supervisory board meeting, justifying the necessity and purpose of convening the meeting.
- 3.5. The Chair of the supervisory board shall notify every supervisory board meeting in writing at least 5 (five) days in advance, including at least the following information:
 - 3.5.1. Date, time and place of the supervisory board meeting;
 - 3.5.2. Planned agenda of the supervisory board meeting;
 - 3.5.3. Documents and materials to be reviewed at the supervisory board meeting;
 - 3.5.4. Proposed draft decisions of the supervisory board.
- 3.6. A shorter term for convening a supervisory board meeting may be applied with the unanimous approval of supervisory board members.
- 3.7. Supervisory board meetings may be held in person, or by using means of electronic communication or correspondence (including e-mail), provided that it complies with the law.
- 3.8. A supervisory board meeting shall be deemed to be competent if the quorum of the number of the supervisory board members provide written vote (including by e-mail) on the proposed decisions within 3 (three) working days.

4. AGENDA OF THE SUPERVISORY BOARD MEETING, DOCUMENTS AND MATERIALS TO BE REVIEWED

- 4.1. The management board and the secretary of the supervisory board shall assist the Chair of the supervisory board in preparing the agenda of the supervisory board meeting. The management board and the secretary of the supervisory board shall prepare documents and materials and submit them to the Chair of the supervisory board
- 4.2. The agenda of the supervisory board meeting is prepared based on the decisions of the previous supervisory board meetings on the matters to be reviewed at the next meeting, as well as the supervisory board's work calendar.
- 4.3. At the beginning of the meeting the Chair of the supervisory board shall inform supervisory board members of the agenda, and the supervisory board shall approve the meeting agenda thereof.
- 4.4. All supervisory board members have the right to propose amendments to the proposed agenda before the supervisory board meeting or at the beginning of the supervisory board meeting before the approval of the agenda.
- 4.5. Relevant documents and materials, as well as draft decisions of the supervisory board, shall be prepared for all matters included in the agenda of the supervisory board meeting as far as possible. Before including of a certain matter into the agenda of the next meeting, the supervisory board may instruct the management board to prepare supporting documents and materials for the draft decision.
- 4.6. Agendas, minutes, draft decisions, documents, and materials are prepared in Latvian and English If required by law, documents and materials shall be prepared in Latvian.
- 4.7. The submitter shall be responsible for the accuracy and completeness of the documents submitted to the supervisory board and the information referred to therein, and for the compliance of the prepared draft decisions with legal acts.

5. DECISION-MAKING BY THE SUPERVISORY BOARD

- 5.1. The supervisory board shall make decisions in compliance with legal acts, the Articles of Association, decisions of the shareholders' meeting and decisions of the supervisory board.
- 5.2. Each supervisory board member has 1 (one) vote.
- 5.3. The supervisory board has a quorum if more than half of supervisory board members participate in the meeting.

- 5.4. A supervisory board member who is not present at the meeting has the right to submit his/her vote in writing (including by e-mail) to the Chair of the supervisory board or another supervisory board member.
- 5.5. Before taking a decision of the supervisory board, the Chair of the supervisory board shall make sure that there is a quorum for the decision.
- 5.6. Decisions of the supervisory board shall come into effect as of the day of their adoption following the closure of the supervisory board meeting, unless provided otherwise in the decision. The term of drafting, coordination and approval of the minutes of the meeting shall not affect the validity of the decisions taken.
- 5.7. the decisions of the supervisory board may be assigned to the management board or specific employees and they are responsible for the performance of the decisions thereof.
- 5.8. In the event of an equal distribution of votes of the members of the supervisory board, the Chair of the supervisory board has a casting vote.

6. PARTICIPANTS OF A SUPERVISORY BOARD MEETING

- 6.1. Supervisory board meetings are attended by members of the supervisory board, the secretary of the supervisory board, as well as other participants (including members of the management board) invited by the supervisory board.
- 6.2. The supervisory board may hold closed sessions attended by supervisory board members only.

7. SECRETARY OF THE SUPERVISORY BOARD

- 7.1. The supervisory board shall appoint a secretary of the supervisory board who is responsible for the preparation of supervisory board meetings, taking, drafting and coordination of the minutes of supervisory board meetings, and provides the necessary support to supervisory board members.
- 7.2. The secretary of the supervisory board supports the Chair of the supervisory board in organising and chairing the meetings of the supervisory board by ensuring the circulation of information, and, inter alia, sending notice convening the meeting of the supervisory board on behalf of the Chair of the supervisory board.
- 7.3. The secretary of the supervisory board maintains a register of decisions of the supervisory board and, in cooperation with the management board, ensures the submission of information related to the decisions of the supervisory board to state, local government or private institutions, as well as the submission of information to people in question.

8. MINUTES OF A SUPERVISORY BOARD MEETING

- 8.1. The secretary of the supervisory board shall prepare and send draft minutes for approval to all supervisory board members within 1 (one) working day after the relevant meeting;
- 8.2. Supervisory board members shall, as soon as possible, but not later than within 3 (three) working days after receipt of the draft minutes, provide the secretary of the supervisory board with written confirmation or comments and suggestions for the improvement thereto. If the secretary of the supervisory board does not receive written response from the supervisory board members within the said time, the minutes shall be deemed to be approved by the respective supervisory board members.
- 8.3. The minutes of the meeting shall be signed by the Chair of the supervisory board, the secretary of the supervisory board and at least one supervisory board member who participated in the meeting.
- 8.4. The approved minutes of the previous supervisory board meeting shall be included in the materials of the next supervisory board meeting.
- 8.5. The minutes of the supervisory board meeting shall indicate:
 - 8.5.1. Firm name;
 - 8.5.2. place, date and time of the supervisory board meeting;
 - 8.5.3. supervisory board members and other people participating in the meeting;
 - 8.5.4. matters on the agenda of the supervisory board meeting;
 - 8.5.5. most important discussions, as well as separate opinion of supervisory board members or invited participants of the meeting, if specifically requested;
 - 8.5.6. the decision made on each matter;
 - 8.5.7. voting results, indicating the votes "in favour" or "against" of each supervisory board member on each decision., if the decision is not taken unanimously.

9. COMMITTEES OF THE SUPERVISORY BOARD

- 9.1. The supervisory board may establish committees composed of supervisory board members to review specific matters in detail and to prepare draft supervisory board decisions.

- 9.2. The supervisory board shall decide on the composition of a supervisory board committees and the tasks thereof.
- 9.3. The supervisory board shall approve charters of the committees.
- 9.4. The decisions of supervisory board committees are of advisory nature.

10. PREVENTION OF CONFLICTS OF INTEREST, DUTY OF LOYALTY AND DUE DILIGENCE

- 10.1. The supervisory board shall make decisions in the best interests of DelfinGroup and its shareholders.
- 10.2. The supervisory board shall operate in accordance with the high ethical standards set out in the Code of Ethics.
- 10.3. To take the relevant decision, the supervisory board is obliged to analyse all the information available, assess possible risks, alternatives, and follow the obligation not to take unreasonable risks.
- 10.4. When performing his/her duties and exercising his/her powers, a supervisory board member has a duty to act as a prudent and diligent owner.
- 10.5. The supervisory board has the right to entrust the internal auditor or one of supervisory board members to perform an audit (planned or ad hoc) or to entrust the performance of an audit to an external expert (consultant) to clarify certain issues.
- 10.6. While performing their official duties and exercising their powers, supervisory board members shall comply with the obligations and restrictions specified in legal acts, including the conclusion of transactions with related parties.
- 10.7. Any supervisory board member having personal interest in any matter to be reviewed or decision of a supervisory board meeting shall disclose such personal interest to the supervisory board prior to the discussion of the relevant agenda item and abstain from voting.
- 10.8. It is the duty of a supervisory board member to refrain from activities that could create competition for the business of DelfinGroup.
- 10.9. The supervisory board is obliged to provide information to shareholders on significant issues related to DelfinGroup's business (for example, if the financial situation deteriorates).
- 10.10. A member supervisory board is obliged to resign from his/her duties if it is not possible to fulfil the duty of loyalty to DelfinGroup.

11. COOPERATION WITH THE MANAGEMENT BOARD AND SHAREHOLDERS

- 11.1. All official communications between the supervisory board and the management board or between the supervisory board and the shareholders shall be carried out by the Chair of the supervisory board or the secretary of the supervisory board on behalf of the Chair of the supervisory board.
- 11.2. The management board shall ensure that the correspondence addressed to the supervisory board is sent to the members of the supervisory board within two working days.

12. ACCESS TO INFORMATION AND CONFIDENTIALITY

- 12.1. Supervisory board members have access to DelfinGroup's inside information, including that prepared by the management board.
- 12.2. The supervisory board has the right to request and obtain relevant, accurate and timely information about the activities of DelfinGroup and its financial position, as well as actions of the management board.
- 12.3. All information and documents received by supervisory board members before and during supervisory board meetings, as well as in the course of implementation of the decisions of the supervisory board is confidential and may not be disclosed to third parties without the prior consent of the supervisory board.
- 12.4. Members of the supervisory board having access to confidential information shall be responsible for not disclosing such information.
- 12.5. Should a supervisory board member resign or is suspended from office, he/she shall submit to the secretary of the supervisory board all materials in his/her possession which he/she has received as a supervisory board member.

13. INDUCTION TRAINING AND PROFESSIONAL DEVELOPMENT OF SUPERVISORY BOARD MEMBERS

- 13.1. Each supervisory board member assumes his/her duties with an induction training organised by the management board of DelfinGroup, where the activities and processes of DelfinGroup are comprehensively presented.
- 13.2. Supervisory board members shall constantly develop their knowledge and skills in the field of corporate governance and financial management, as well as in the main business areas of DelfinGroup.
- 13.3. Every year the supervisory board shall approve a plan for the professional development of supervisory board members.

13.4. As far as possible, supervisory board members shall participate in seminars and conferences on the matters related to the decision-making of the supervisory board, including corporate governance, financial supervision, internal audit, etc.

13.5. All costs related to the development of supervisory board members are covered by DelfinGroup according to the annual budget.

Effective date: 21.07.2021.

Approved by: Supervisory board

Information on the version of documents

Date of the version	Number of the version	Changes
2021.04.21.	1.	3.5. The chairperson of the supervisory board shall notify on each supervisory board meeting in writing at least 5 (five) days in advance and editorial changes