

INTUS SAVINGS AND LOAN ASSOCIATION ARTICLES OF ASSOCIATION

1. GENERAL PROVISIONS

1.1. Intus Savings and Loan Association is a commercial association. The business name is Intus Hoiu-laenuühistu (Intus Savings and Loan Association, hereinafter the Association). The short version of the business name is Intus HLÜ.

1.2. The operating territory of the Association is the territory of the Republic of Estonia.

1.3. The seat of the Association is Tallinn, Harju county.

1.4. The Association has been founded in accordance with § 5 (1) 1 of the Savings and Loan Associations Act, pursuant to which a savings and loan association shall be founded on the principle of mutual economical interest. The Association is a financial institution, established to provide legal and natural persons with deposit, settlement and loan services on the basis of membership. The objective of the Association is to provide financial services to its members through joint activities.

1.5. The activities of the Association are regulated by the Savings and Loan Association Act, Commercial Associations Act, other legal acts of the Republic of Estonia, and these Articles of Association.

1.6. The principal and permanent activity of the Savings and Loan Association is concluding the following transactions with its members:

1.6.1. depositing transactions to involve savings and other repayable funds;

1.6.2. loan transactions, including consumer credit, mortgage loans and factoring;

1.6.3. lease transactions;

1.6.4. involvement of securities, guarantees, benefits and earmarked repayable funds offered by foundations, structural funds or payment agencies founded by the European Commission or states that are contracting parties to the EEA Agreement (hereinafter contracting state) or other similar persons and intermediation thereof;

1.6.5. involvement of securities, guarantees and other repayable funds offered by credit institutions, financial institutions or insurers and intermediation thereof;

1.6.6. giving advice on issues regarding economic activities;

1.7. The Savings and Loan Association may render the following services to unspecified persons:

1.7.1. currency exchange services;

1.7.2. cash transfers and other payment services pursuant to the provisions of the Payment Institutions and E-Money Institutions Act.

1.8. The Association shall have at least 25 members.

1.9. The members of the Association shall be treated as equal on equal grounds.

1.10. The financial year of the Association is from 1 January to 31 December.

1.11. Two board members can represent the Association together.

2. MEMBERS OF SAVINGS AND LOAN ASSOCIATION

Becoming a member

2.1. The following persons may become members of the Association:

2.1.1. natural persons who are active or work in the same field of activities or profession or who have common economic interests;

2.1.2. sole proprietors having the same principal field of activity as the persons provided for in clause 1) of this subsection;

2.1.3. companies having the same principal field of activity as the persons provided for in clause 1) of this subsection and an annual net turnover or balance sheet total of up to 2 million euros and no more than ten employees;

2.1.4. non-profit associations with members being persons provided for in clauses 1)-3) of this subsection.

2.2. The state, local authorities and legal persons in public law cannot be members of the Savings and Loan Association.

2.3. The number of members provided for in clause 3) of subsection (2) of this section shall not exceed 25 percent of the total number of members.

2.4. The person becoming a member of the Association shall pay a membership fee of 10 euros.

2.5. The contribution of a member who is a natural person shall be 30 euros.

2.6. Removed.

2.7. Should a member of the Association so wish, it may, on the basis of the Management Board's decision, increase or decrease its contribution, if the financial situation of the Association so allows.

2.8. A person shall pay the membership fee and the contribution within 10 workdays from the date of submission of the application.

2.9. In order to become a member, a person shall submit a written application to the Management Board of the Association.

2.10. The Management Board of the Association shall review the person's membership application within one month from the date of submission of the application.

2.11. The person shall become a member of the Association from the date of the acceptance decision of the Management Board.

2.12. The grounds for refusing to accept a member include:

2.12.1. the person does not meet the requirements established by the Articles of Association of the Association;

2.12.2. the Association is unable to ensure or promote the financial interests of a larger than the existing number of members;

2.12.3. the person fails to pay the membership fee and the contribution;

2.12.4. the person has been previously excluded from the Association due to failure to comply with the requirements established by the Articles of Association or the law.

2.13. Upon making a decision of refusal to accept a member, the Management Board shall send the person a copy of the decision of refusal to accept the person as a member. The copy shall be sent within one week from making the decision.

Death of a member

2.23. Upon the death of a member, the membership shall be transferred to the heirs, if they have submitted a membership application. The Management Board shall satisfy the application and the membership shall be considered as transferred, if the person who submitted the application meets the requirements established for members by these Articles of Association and the law.

Dissolution of a member who is a legal person

2.24. Upon the dissolution of a member who is a legal person, their membership shall expire. Transfer of membership

2.25. A member of the Association may transfer its membership to another person who shall become a member of the Association, if there are no grounds for refusal to prevent the acceptance of the member.

2.26. In order to transfer membership, the members of the Association and the person to whom the membership is to be transferred shall submit a joint application to the Management Board, in which the member of the Association confirms the wish to transfer the membership to the other person and the person to whom the membership is to be transferred expresses the wish to become a member of the Association. Refund of contribution upon expiry of membership

2.27. Upon the expiry of membership, a member shall be entitled to a refund of the contribution.

2.28. The contribution shall be refunded to the member within 1 month at the latest. The Management Board shall have the right to extend the period for refunding the contribution, if the refund of the contribution jeopardizes the Association's compliance with prudential standards and its sustainable economic activities.

Rights of members of the Association

2.29. A member shall have the right to receive information concerning the activities of the Association from the Management Board at the General Meeting.

2.30. A member shall have the right to review the Association's documents on the basis of a decision of the General Meeting, if that does not damage the economic interests of the Association.

2.31. A member shall have the right to review the annual report. The Management Board shall present the annual report for the members to review at the Association's premises at least ten days prior to the General Meeting deciding on the approval of the annual report.

2.32. A member shall be entitled to a share of the net profit of the Association.

2.33. A member shall have the right to participate in the General Meeting and to elect the governing bodies of the Association.

2.34. Upon the expiry of membership, a member shall be entitled to a refund of the paid contribution.

Obligations of members of the Association

2.35. A member of the Association shall be obligated to fulfil the obligations arising from the Articles of Association and the law.

2.36. Immediately notify the Management Board of the Association of changes in the member's place of residence or location that may prevent membership in the Association.

2.37. Fulfil the obligations arising from the contracts concluded between the Association and the members in a timely manner and in the full extent.

3. ASSETS OF ASSOCIATION

3.1. The Association shall be liable for its obligations with its assets. The members of the Association shall not be liable for the obligations of the Association. The assets of the Association shall comprise contributions and other payments made by its members, income received from the activities of the association, economic assistance by the state and local authorities, donations and other accruals.

3.2. The share capital of the Association shall comprise the contributions of the members.

3.3. The share capital of the Association is 299,930.000 EUR

3.4. The Association shall deposit at least 5 percent of the amount of the deposits of its members as a call deposit in a credit institution of Estonia or another contracting state.

3.5. The legal reserve shall be formed and increased out of the membership fees of members, profit appropriations and interest on the legal reserve.

3.6. In each financial year at least 20 percent of net profit shall be transferred to the legal reserve. When the legal reserve reaches the amount prescribed in the Articles of Association, the increase of legal reserve out of profit appropriations and interest shall be suspended.

3.7. If dividends can be paid from the profit in accordance with the Articles of Association, at least 1/20 of the net profit shall be transferred to the legal reserve in every financial year.

3.8. Upon the relevant decision of the General Meeting, the legal reserve may be used for covering a loss, if it cannot be covered from retained earnings.

3.9. The profit of the Association shall be distributed on the basis of the annual report approved by a decision of the General Meeting.

3.10. The members of the Association whose contributions have been at the disposal of the Association for less than one year but for more than six months during the financial year shall receive a half of the amount of dividends.

3.11. The amount of the dividend shall be approved by the General Meeting. The proposal for the amount of the dividend shall be made by the Management Board or the Supervisory Board, if there is a Supervisory Board. The General Meeting may not decide to pay a larger dividend than established in the proposal of the Management Board or the Supervisory Board.

3.12. A member shall be paid a dividend in accordance with the amount of the member's contribution. Such a dividend may not be larger than the dividend payable to the member in accordance with its participation in the activities of the Association or the interest commonly calculated on long-term deposits.

3.13. The payment of dividends shall commence one month after the adoption of the relevant decision of the General Meeting.

3.14. The Savings and Loan Association shall not pay interest on non-withdrawn dividends.

4. GENERAL MEETING

4.1. The General Meeting is the highest body of the Association.

4.2. The members of the Association shall exercise their rights in the Association at the General Meeting.

4.3. The General Meeting of the Association shall be competent to:

4.3.1. amend the Articles of Association;

4.3.2. if the Association does not have a Supervisory Board – elect and recall the members of the Management Board;

4.3.3. if the Association does have a Supervisory Board – elect and recall the members of the Supervisory Board;

4.3.4. approve the annual report and decide on the distribution of the profit or loss;

4.3.5. decide on the merger, division or dissolution of the Association;

4.3.6. if the Association does not have a Supervisory Board – appoint and recall a procurator;

4.3.7. elect and recall the members of a revision committee or an auditor;

4.3.8. decide the conclusion of a transaction with a member of the Management Board or the Supervisory Board, determine the terms and conditions of the transaction, decide on holding a legal dispute with a member of the Management Board or the Supervisory Board, and appoint the representative of the Association in such a transaction or dispute;

4.3.9. approve the budget for the financial year;

4.3.10. establish the procedure for granting loans to members, including to establish the limit of the loan amount to be granted to one member in accordance with the law;

4.3.11. appoint an auditor, and establish the bases and procedure for the remuneration payable to the auditor;

4.3.12. elect the members of the Credit Committee and recall them prior to the expiry of their mandate;

4.3.13. review complaints submitted concerning the activities of the Credit Committee, if the Savings and Loan Association does not have a Supervisory Board;

4.3.14. decide other matters placed within the competence of the General Meeting by the law or the Articles of Association.

4.4. The regular General Meeting shall take place once a year. The Management Board shall convene the General Meeting for the approval of the annual report within six months from the end of the financial year.

4.5. A special General Meeting shall be convened by the Management Board at its own initiative. The Management Board shall convene a special General Meeting, if it has not been stipulated that the members of the Association are liable for the obligations of the Association and it becomes apparent that the Association's net assets amount to less than a half of the Association's share capital, and if an extraordinary General Meeting is requested by at least 1/10 of the members, the Supervisory Board, the internal auditor and the auditor.

4.6. The agenda of the General Meeting shall be determined by the Management Board.

4.7. The Management Board shall send a notice of the General Meeting to all the members. The notice shall be sent to the address entered in the list of members. If the Association is aware or should be aware that the address of a member differs from the one entered in the list of members, the notice shall also be sent to that address. The notice shall be sent so that it reaches the address of the recipient at least one week prior to the General Meeting by ordinary means of forwarding.

4.7.1. The notice shall state the date, place and agenda of the General Meeting, as well as other circumstances of importance in regards to the meeting. If the Articles of Association are to be amended at the General Meeting, the notice shall state the nature of the proposed amendments.

4.8. The General Meeting may pass decisions when more than a half of the members of the Association are present or represented, unless a larger majority of votes is stipulated by law.

4.9. If the General Meeting does not have more than a half of the members present or represented, the Management Board shall convene a new meeting with the same agenda within three weeks. The new General Meeting shall be competent to pass decisions regardless of the number of the members present or represented at the meeting.

4.10. A decision to amend the Articles of Association shall be passed when at least 2/3 of the members of the Association present or represented at the General Meeting vote in favor thereof.

4.11. Every member of the Association shall have one vote.

4.12. A member of the Association may not vote, if the decision to be voted on concerns releasing the member from obligations or liability, concluding a transaction between the member and the Association, holding a legal dispute with the member or appointing the Association's representative in that dispute, or matters related to the inspection or assessment of the activities of the member or the member's representative as a member of the Management Board or the Supervisory Board. The votes of that member shall not be taken into account upon determining representation.

4.13. Minutes shall be taken of the General Meeting.

5. COUNCIL

5.1. If the Association has more than 200 members, the competence of the General Meeting shall be fully transferred to the Meeting of Councilors. The Association shall elect 20 councilors. The provisions concerning the General Meeting shall apply to the Meeting of Councilors.

5.2. The Council shall be competent to:

- 5.2.1. approve the budget for the financial year;
- 5.2.2. establish the procedure for granting loans to members, including to establish the limit of the loan amount to be granted to one member;
- 5.2.3. approve the annual report;
- 5.2.4. approve the audit report;
- 5.2.5. give an assessment to the activities of the Management Board;
- 5.2.6. decide the distribution of the profit and the establishment of capital and reserves;
- 5.2.7. enlarge and reduce participation capital;
- 5.2.8. other duties established by the Articles of Association and the law.

6. MANAGEMENT BOARD

6.1. The Management Board consists of 3 members.

6.2. A member of the Management Board does not have to be a member of the Association.

6.3. A member of the Management Board shall be elected for five years.

6.4. A member of the Management Board shall meet the requirements arising from the law.

6.5. A member of the Management Board shall maintain the business secrets of the Association.

6.6. The members of the Management Board shall elect the chairman of the Management Board from amongst themselves to organize the activities of the Management Board.

6.7. The members of the Management Board shall be elected and recalled by the General Meeting. If the Association has a Supervisory Board, the members of the Management Board shall be elected and recalled by the Supervisory Board.

6.8. A member of the Management Board shall fulfil his or her duties with the due diligence of a good entrepreneur.

6.9. The duties of the Management Board are to:

- 6.9.1. manage the everyday economic activities;
- 6.9.2. organize the accounts of the Association;
- 6.9.3. maintain the list of members;
- 6.9.4. submit the annual report to the Supervisory Board;
- 6.9.5. ensure the implementation of the necessary measures, particularly the organization of internal control, in order to identify any circumstances jeopardizing the activities of the Association as early as possible;
- 6.9.6. prepare the matters to be discussed at the General Meeting, prepare draft decisions and the necessary projects, and ensure the fulfilment of the decisions of the General Meeting.

7. SUPERVISORY BOARD

7.1. The Supervisory Board consists of three members.

7.2. A member of the Supervisory Board does not have to be a member of the Association.

7.3. The general meeting appoints and calls back members of the supervisory board. The election of a member of the Supervisory Board requires his or her written consent. A member of the Supervisory Board shall be elected for five years.

7.4. The Supervisory Board performs supervision over the activities of the Management Board.

7.5. The members of the Supervisory Board shall maintain the business secrets of the Association.

7.6. A member of the Supervisory Board shall fulfil his or her duties with the due diligence of a good entrepreneur.

7.7. The members of the Supervisory Board shall elect a chairman from amongst themselves to organize the activities of the Supervisory Board.

7.8. Members of the Management Board, the auditor, members of the Credit Committee or the Internal Audit Committee, or a bankruptcy debtor of the Association, or a person who has been deprived of the right to be an entrepreneur on the basis of the law shall not be members of the Supervisory Board.

7.9. The meetings of the supervisory board are held if needed, but not less than once in three months. The meeting shall be convened by the chairman of the Supervisory Board or a member of the Supervisory Board substituting him or her. The Supervisory Board meeting shall have a quorum, if more than a half of the members of the Supervisory Board are in attendance. A resolution of the supervisory board will be adopted, if more than half of the members present at the meeting vote for it.

7.10. Minutes shall be taken of the Supervisory Board meetings and signed by all the members who attended the Supervisory Board meeting.

7.11. A member of the Supervisory Board shall not have the right to refuse to vote or to abstain. Upon an equal distribution of votes, the vote of the chairman of the Supervisory Board shall be the decisive vote.

7.12. The decisions of the Supervisory Board without convening a meeting shall be passed in accordance with the Commercial Code.

7.13. The results of supervision over the activities of the Management Board shall be presented to the General Meeting of the Association or the Meeting of Councilors.

7.14. The Supervisory Board shall be competent to:

7.14.1. Elect the Management Board and appoint the chairman of the Management Board;

7.14.2. Establish the bases and procedure for the payment of remuneration to the members of the Management Board, the chairman of the Management Board, the members of the Credit Committee and the Internal Audit Committee;

7.14.3. Decide on the acquisition or termination of holdings in other associations;

7.14.4. Decide on the acquisition, transfer or dissolution of a company;

7.14.5. Decide on the transfer and encumbrance of immovable property and registered movable property;

7.14.6. Decide on making investments exceeding the amount of expenses prescribed for the financial year;

- 7.14.7. Decide on the assumption of loans and debt obligations exceeding the amount prescribed for the financial year;
- 7.14.8. Decide on granting loans and securing debt obligations outside the everyday economic activities;
- 7.14.9. Review the complaints submitted concerning the Credit Committee;
- 7.14.10. Approve management plans and the financial plan;
- 7.14.11. Decide on granting loans to the members of the Management Board, the Credit Committee and the Internal Audit Committee of the Association.
- 7.15. The Supervisory Board shall have the right to receive information concerning the activities of the Association from the Management Board and to request the preparation of a management report and the balance sheet from the Management Board;
- 7.16. The Supervisory Board shall have the right to review all the documents of the Association, as well as to check the correctness of the accounts, the existence of assets, the activities of the Association in accordance with the law, the Articles of Association and the decisions of the General Meeting or the Meeting of Councilors;
- 7.17. The Supervisory Board may decide other matters not within the competence of the General Meeting or the Meeting of Councilors;
- 7.18. The Supervisory Board shall decide on the conclusion of transactions and the holding of legal disputes with the members of the Management Board, and appoint the Association's representative for that purpose;
- 7.19. The Management Board shall submit the list of the members of the Supervisory Board to the Commercial Register. Upon a change among the members of the Supervisory Board, the Management Board shall within five days submit a new list of the members of the Supervisory Board to the Commercial Register.
- 7.20. The members of the Supervisory Board shall be elected and recalled by the General Meeting or the Meeting of Councilors. The election of a member of the Supervisory Board requires his or her written consent.
- 7.21. An elected member of the Supervisory Board may be recalled regardless of the reason on the basis of a decision of the General Meeting or the Meeting of Councilors. Passing a decision to recall a member of the Supervisory Board prior to the expiry of his or her mandate requires at least 4/5 of the votes of the General Meeting or the Meeting of Councilors.

8. CREDIT COMMITTEE

- 8.1. If the Association has more than 50 members, a Credit Committee shall be formed.
- 8.2. The Credit Committee has 3 members.
- 8.3. The Credit Committee shall be elected for three years.

- 8.4. The chairman of the Credit Committee cannot be the chairman of the Management Board.
- 8.5. Members of the Supervisory Board or the Internal Audit Committee or the auditor shall not be members of the Credit Committee.
- 8.6. The members of the Credit Committee shall elect a chairman from amongst themselves to organize the activities of the Credit Committee. The chairman of the Management Board of the Association shall not be the chairman of the Credit Committee.
- 8.7. The meetings of the Credit Committee shall take place once a month. The meetings shall be convened by the chairman of the Credit Committee or the person substituting him or her.
- 8.8. The Credit Committee shall decide on the granting of loans in accordance with the procedure approved by the General Meeting, and shall assist in organizing the collection of debts.
- 8.9. The decisions of the Credit Committee shall be passed with the consent of all the members attending the meeting.
- 8.10. A report shall be drawn up concerning the decisions of the Credit Committee. The report shall be submitted to the chairman of the Management Board.

9. INTERNAL AUDIT COMMITTEE

- 9.1. The Internal Audit Committee consists of three members.
- 9.2. A member of the Internal Audit Committee shall have education in economics or law or at least three years of work experience in a position related to accounting, finance or auditing of the economic activities of a company.
- 9.3. Members of the Management Board, Supervisory Board or Credit Committee, auditors or accountants of the Association, and persons with economic interest equivalent to those of such persons shall not be members of the Internal Audit Committee.
- 9.4. The Internal Audit Committee shall be elected by the General Meeting for 3 years.
- 9.5. The members of the Internal Audit Committee have the right and obligation to audit the assets, current accounts, securities accounts, accounting documents and documents relating to the activities of the Credit Committee of the Savings and Loan Association, and the right to demand explanations and any kind of assistance in the performance of their activities.
- 9.6. The members of the Internal Audit Committee have the right to monitor any aspect of the work and economic activities of the Savings and Loan Association.
- 9.7. The Internal Audit Committee shall audit the annual report of the Association, prepare the internal audit report and submit the report to the General Meeting for approval.
- 9.8. The Internal Audit Committee shall analyse any deficiencies discovered in the work and economic activities of the Association, prepare reviews of the deficiencies on a regular basis and, depending on the degree of importance, submit the reviews to the Management Board, the Supervisory Board or the General Meeting of the Association for discussion and for elimination of the deficiencies.

9.9. The Internal Audit Committee shall notify the Management Board of violations of measures to guarantee the financial soundness of the Savings and Loan Association and of violations of the requirements for loans.

9.10. The Management Board of a savings and loan association is required to take measures to eliminate violations within two months.

10. AUDITOR

10.1. The General meeting shall elect an auditor for three years.

10.2. The auditor shall perform a general audit of the work of the Association once a year.

10.3. The auditor shall submit a report to the Management Board and the results shall be presented at the General Meeting.

11. MERGER AND DISSOLUTION

11.1. The merger and dissolution of the Association shall take place in accordance with the procedure prescribed by law.

11.2. Upon dissolution, the Association shall be liquidated, unless otherwise stipulated by law.

11.3. The contributions paid by the members shall be refunded to them after the satisfaction or securing and the necessary depositing of all the claims of the creditors. The assets remaining after the refunding of the contributions shall be distributed among the members in accordance with the asset distribution plan prepared by the liquidators in proportion to the amount of their contributions, unless otherwise stipulated by the Articles of Association.

11.4. The assets shall be distributed after six months from the entry of the dissolution of the Association in the Commercial Register and the publication of the liquidation notice and after two months from notifying the members of the presentation of the closing balance sheet and the asset distribution plan for review, if the balance sheet and the asset distribution plan has not been disputed in court, the claim has not been reviewed or has been rejected or the proceedings in the case have been closed.

12. FINAL PROVISIONS

12.1. These Articles of Association may be amended by a decision of the General Meeting, if at least 2/3 of the participants in the General Meeting have voted in favor thereof.

12.2. The adopted amendments to the Articles of Association shall enter into force from the moment of adoption thereof, unless stipulated otherwise by law.

12.3. Matters not stipulated by these Articles of Association shall be stipulated by law and, within the limits thereof, by the General Internal Rules of Procedure and the decisions of the General Meeting, the Management Board, the Credit Committee and the Internal Audit Committee.