
**EPSO-G UAB Notice
of Compliance
with the Corporate
Governance Code
for the Companies
Listed on Nasdaq
Vilnius AB**



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In line with the Description of the Guidelines for Ensuring the Transparency of State-owned Enterprises approved by Resolution No 1052 of the Government of the Republic of Lithuania dated 14 July 2010 and the Transparency and Communication Policy of the EPSO-G Group of Companies, EPSO-G UAB (the Company or EPSO-G) discloses in this annual report its compliance with the provisions of the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius AB. In case of non-compliance with this Code or some of its provisions, the

specific provisions that are not complied with must be indicated and the reasons of such non-compliance must be specified.

The implementation of the recommendations of the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius AB is, in principle, ensured through information disclosed in the annual report and information extensively published on the EPSO-G's website aiming to provide information to stakeholders in an accessible and comprehensible format.

1. Free-form summary of the Company's corporate governance report

A state-owned company EPSO-G is the parent company of the EPSO-G group of companies (the Group).

Rights and obligations of the shareholder of the holding company EPSO-G are implemented by the Ministry of Energy of the Republic of Lithuania (the Ministry of Energy, ME). The

Company's corporate governance structure and the governance model are established by the Company's Articles of Association, the Corporate Governance Guidelines of the EPSO-G Group of Companies approved by the sole shareholder Ministry of Energy on 24 April 2018 and the Corporate Governance Policy of the EPSO-G Group of Companies. All the above-mentioned documents are published on the Company's website.

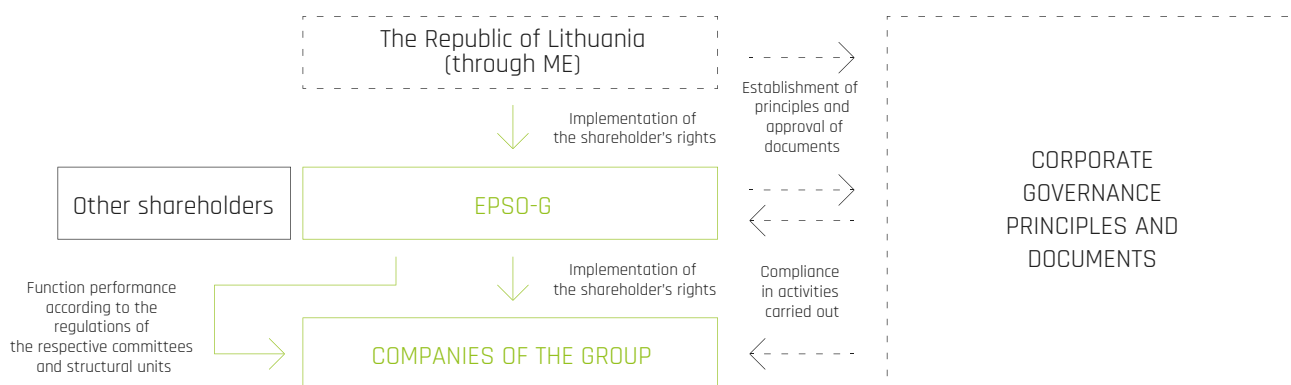


Chart 1. Main scheme of the implementation of corporate governance of EPSO-G.

The corporate governance structure:

- The General Meeting of Shareholders;
- The Board (five members, three of whom are independent members, the other two members are nominated by the sole shareholder Ministry of Energy);
- The committees operating at the Group level:
 - The Remuneration and Nomination Committee (mainly composed of independent members);
 - The Audit Committee (mainly composed of independent members);
 - The Innovation and Development Committee (mainly composed of independent members).
- The Chief Executive Officer.

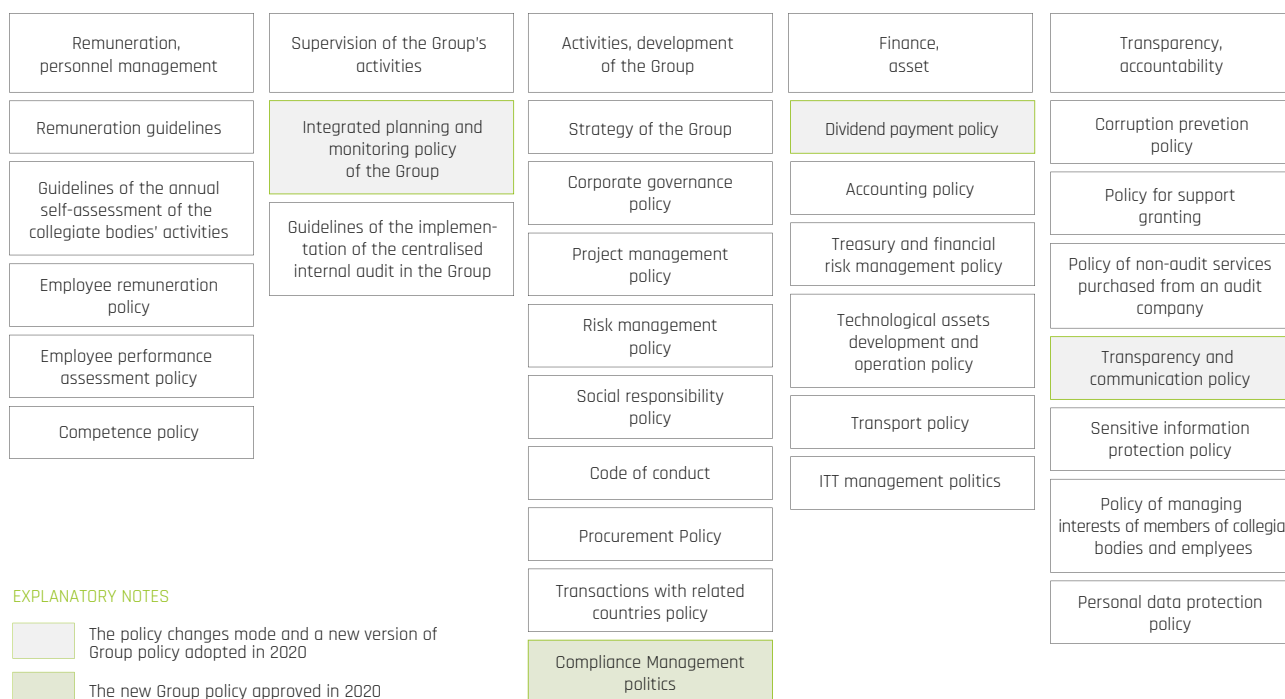
The Group has a centralised internal audit function. In order to ensure the independence of the internal audit, it is established that the head of the internal audit function is appointed and dismissed by the Board of the holding company EPSO-G, which is mainly composed of independent members. The internal audit shall also be accountable to the Audit Committee of EPSO-G, which is also mainly composed of independent members. The internal audit recommendations are analysed by the Board of the Company, which also approves the plan of measures for the implementation of recommendations.

On the basis of the Risk Management Policy of the EPSO-G Group of Companies, the uniform risk management system of the Group is implemented according to the COSO ERM stan-

dards applicable in the international practice setting out risk identification, assessment and management principles and responsibilities. Risk management coordination is performed at the Group level.

Good governance practice is implemented at the EPSO-G Group by the approved operating policies. The aim of these policies is to introduce a consistent and effective organisational management system helping employees successfully implement important strategic projects and create value to residents and businesses of the country in a transparent and effective manner. To ensure the efficiency of the operating policies, the Company annually reports on the progress of implementation of the operating policies.

The operating policies that are currently effective at the Company are presented in the chart below.



EPSO-G relies on the good governance practices outlined in the recommendations of good governance published by the Organisation for Economic Cooperation and Development (OECD), the recommendations of the United Nations and Nasdaq Vilnius, other internationally recognised standards and the recommendations of good governance, the main objective of which is to ensure that the state-owned companies are managed in an efficient and transparent manner.

As a result of targeted actions taken to build trust in ongoing strategic projects and large attention devoted to operational transparency and accountability, the EPSO-G group of companies has been recognised for the most advanced governance of the subsidiaries, and the overall governance quality has been rated A+.

This was evidenced by the 2019/2020 Good Governance Index of State-owned Enterprises (SOE) published by the public institution Governance Coordination Centre (GCS). The Good Governance Index of this Centre is the most comprehensive tool for evaluating the quality of management of all SOEs. The index consists of three main assessment dimensions: transparency, collegial bodies and strategic planning and implementation.

In terms of the transparency dimension, EPSO-G received the highest A+ rating with the areas for improvement identified when applying the sustainability practice in the future.

The highest possible rating A+ was also awarded for the work of the collegial bodies, the process of selection of their members, competence and involvement, and for the compliance of the functions of the collegial bodies with the good governance principles.

EPSO-G's strategic planning and implementation were rated with the A+ score. Financial sustainability received the rating

A due to the Group's debt level that resulted from the financial obligation to pay to the company of the Ignitis group for the acquired shares of Litgrid.

In the preparation of the 2021 operational plan, the holding company EPSO-G continues to improve governance by taking into consideration recommendations presented by the GCS.

2. Structured table:

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights.		
The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.		
1.1. All shareholders should be equally provided with access to the information and/or documents established in the legal acts on equal terms to participate in the decision-making process where significant corporate matters are discussed.	YES	The Company has the sole shareholder.
1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to their holders.	YES	All shares of the Company are ordinary registered shares of EUR 0.29 per value.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	IRRELEVANT	The Company has the sole shareholder. The company is not listed on the exchange.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	YES	Article 43 of the Articles of Association of the Company specifies the cases when the approvals of the sole shareholder are required - these cases are established with regard to the fact that the underlying assets of the Company are the shares of the subsidiaries.
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.
1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	The shareholder has an option of voting in writing.
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases, the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.
1.10. Members of the company's collegial management body, heads of the administration ⁴ or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.

Principle 2: Supervisory board

2.1. Functions and liability of the supervisory board

The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.

The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.

2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	IRRELEVANT	The Supervisory Board is not formed in the Company.

⁴For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent ⁵ members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2. Formation of the supervisory board		
The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.		
2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2.3. Chair of the supervisory board should be a person, whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	IRRELEVANT	The Supervisory Board is not formed in the Company.

⁵ For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	IRRELEVANT	The Supervisory Board is not formed in the Company.
2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organisation and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and operational procedures.	IRRELEVANT	The Supervisory Board is not formed in the Company.

Principle 3: Management board

3.1. Functions and liability of the management board

The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.

3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	YES	Article 39 of the Articles of Association of the Company defines that the Board approves the Company's strategy, which also comprises a formulated joint mission and vision of the group of companies. In addition, the Board regularly reviews reports on the implementation of the strategy carrying out its supervisory function.
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	YES	Article 44 of the Articles of Association of the Company provides that the Board of the Company performs supervisory functions.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	YES	<p>Articles 39 and 41 of the Articles of Association of the Company define that the Board approves the documents of the group of companies (e.g. guidelines, policies, procedures, etc.), forms the joint corporate governance policy of the group of companies and sets the basic principles of such corporate governance, guidelines, codes of conduct and other regulations of indicative nature applied for the companies of the group of companies.</p> <p>In addition, by separate decisions, the Board appoints the CEO to provide regular reports on the indicators followed by the Board (e.g. the Company's strategy, activity plan, budget etc.).</p>
3.1.4. Moreover, the management board should ensure that the measures included into the <u>OECD Good Practice Guidance</u> ⁶ on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	YES	<p>The Company has a variety of documents to ensure the highest level of internal control, ethics and compliance management tools, such as:</p> <ul style="list-style-type: none"> • internal audit is accountable to the Board which is formed from external members (3 members are independent); • the Audit Committee is composed of the majority of independent members, to whom internal audit is also accountable; • the Company applies the Code of Conduct and the Corruption Prevention Policy of EPSO-G UAB group of companies, the Sponsorship and Charity Policy of EPSO-G UAB group of companies, the policy for managing the conflict of interests of the members, executives and employees of collegiate management and supervision bodies of EPSO-G UAB group of companies, the Risk Management Policy of EPSO-G UAB group of companies, the Transparency and Communication Policy of EPSO-G UAB group of companies, etc.
3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	YES	<p>The Articles of Association of the Company defines that the Company's CEO is appointed by the Board taking into account the recommendations of the Remuneration and Appointment Committee.</p> <p>Article 81 of the Articles of Association of the Company defines that, in assessment of suitability of the candidate for the position of the CEO, the Board shall consider his/her compliance with requirements specified by these Articles of Association and regulations, and therefore may require that the candidate submitted documents supporting this compliance and/or contact competent authorities for obtaining necessary information about the candidate.</p>

⁶Reference to OECD Good Practice Guidance on internal control, ethics and compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
3.2. Formation of the management board		
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	YES	<p>The election of the members of the Board of the Company is carried out in compliance with the procedures set by the Government of the Republic of Lithuania. In the process of election it is ensured that the Board consists of at least 3 (three) independent members; their independence is established in accordance with the selection description of a list of candidates to the board of the state enterprise or municipal company and the candidates to the board of the state or municipal company for the selection of a collegial supervisory or management body elected by the General Meeting of Shareholders, approved by Resolution No 631 dated 17 June 2015 of the Government of the Republic of Lithuania and the Policy of Management of Interests of Members of Collegial Bodies, Executives and Employees of the EPSO-G group of companies as well as the requirements set forth by other applicable legal acts, also seeking for the Board members to have competences taking into account the areas of responsibility and functions of the Board; when possible, the employees of the Company shall not be appointed to the Board.</p> <p>The Board members have a yearly assessment of their performance. In addition, the Remuneration and Appointment Committee evaluates the performance of the Board on an annual basis with recommendations on performance improvement.</p>
3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.	YES	<p>Article 33 of the Company's Articles of Association stipulates that the meeting, when assessing the suitability of a candidate for the position of a member of the Board, assesses his / her compliance with the requirements established in the Articles of Association and applicable legal acts. According to Article 34 of the Company's Articles of Association, each candidate for the position of a member of the Board must submit the candidate's declaration of interests to the general meeting of shareholders. Information on the appointed members of the Board is published and updated on the Company's website</p> <p>This information is not repeated additionally in the Annual Report, however the Annual Report contains the information on the chairman of the Board, CEO and the chief accountant and the head of the Internal Audit</p>
3.2.3. All new members of the management board should be familiarised with their duties and the structure and operations of the company.	YES	The members of the Board are introduced to the structure and activities of the Company by sharing key corporate documents of the Company.
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	YES	Board members are elected for a term of 4 years. A member of the Board may continuously serve maximum 2 subsequent full terms of office, i.e. no longer than 8 years in a row.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
3.2.5. Chair of the management board should be a person, whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	YES	The Articles of Association of the Company provides the criteria for which a person cannot be elected as a member of the Board. According to Article 52 of the Company's Articles of Association, the Chairman of the Board must be an independent member of the Board.
3.2.6. Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	YES	The Company's taken minutes record the attendance of the Board members and voting in decision-making process. The Board's participation in the meetings is set out in the Annual Report. Each year, the Board members perform an assessment of his/her activities, the results of which are submitted to the shareholders and the Remuneration and Appointment Committee.
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent ⁷ , it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company related circumstances.	YES	The Company's website and Annual Report contain information about the members of the Board of the Company, specifying the independent members.
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	YES	The Articles of Association of the Company provide that the general meeting of shareholders shall make decisions on the remuneration guidelines applicable to the determination of remuneration for activities in the boards of the Company and the group of companies.
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to non-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	Taking into account the objective to monitor the absence of conflicts of interest of the members of the Board of the Company, each year the members of the Board renew their declarations of interests. The Company has the approved policy for managing the conflict of interests of the members, executives and employees of collegiate management and supervision bodies of EPSO-G UAB group of companies. In addition, the Articles of Association of the Company stipulates that the members of the Board may have another job or occupy another position compatible with their activities in the Board, including without limitation the managing positions occupied in other legal entities, a job in a state or statutory service, position in the Company and in other legal entities (within the limits set by the Articles of Association) only with prior notice to the Board. The Board members have signed commitments to protect confidential information. There are no non-compete agreements concluded with the members of the Board - the need for such agreements was not established.
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organisation and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	YES	The Board carries out an assessment of its activities every year and prepares a performance improvement plan on its basis. The results of the assessment of the Board's performance are presented in the Company's Annual Report.

⁷ Within the meaning of this Code, the criteria for the independence of the members of the Board are understood as the criteria for unrelated persons defined in Paragraph 7 of Article 33 of the Law on Companies of the Republic of Lithuania.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
Principle 4: Rules of procedure of the supervisory board and the management board of the company		
The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.		
4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	IRRELEVANT	The Supervisory Board is not formed in the Company.
4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterrupted resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	YES	The Articles of Association of the Company stipulate that the Board takes its decisions in the Board meetings that are usually convened as necessary for the Board to be able to properly perform its functions and take decisions attributed to its competence. At the beginning of each year, the Board of the Company approves the schedule and activity plan of the current year (preliminary questions for the respective Board meeting).
4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	YES	According to the rules of procedures of the Board, the material shall be submitted to the Board 5 working days prior to the ordinary meeting.
4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	IRRELEVANT	The Supervisory Board is not formed in the Company.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
Principle 5: Appointment, remuneration and audit committees		
5.1. Purpose and formation of committees		
<p>The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.</p>		
<p>Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.</p>		
<p>5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the appointment, remuneration and audit committees⁹.</p>	YES	<p>The Company has the Remuneration and Appointment Committee and Innovation and Development Committees (the first meeting was held on 6 January 2020; more detailed information is available in the annual report) formed by the Board of EPSO-G UAB, which operate in accordance with the rules of procedures approved by the body that forms it, and the Audit Committee formed by the sole shareholder EPSO-G UAB operating at the Group level and acting in compliance with the rules of procedures approved by the body that forms it.</p>
<p>5.1.2. Companies may decide to set up less than three committees. In such case, companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.</p>	YES	<p>Given that the issues of remuneration and appointment are closely related and experts with the same qualifications are required to deal with these issues, it was decided to form a single Remuneration and Appointment Committee.</p>
<p>5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case, the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.</p>	IRRELEVANT	<p>Please refer to Comment under Item 5.1.1.</p>
<p>5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.</p>	YES	<p>Chapters 7.8 and 7.9 of the Articles of Association of the Company regulate the formation and competence of committees within the group. The aforementioned Articles of Association stipulate that the Remuneration and Appointment Committee and the Audit Committee shall consist of not less than 3 members.</p> <p>The Remuneration and Appointment Committee ensures that there is at least 1 independent member and at least 2 independent members in the Audit Committee in the group of 3 members. The Chairpersons of the Remuneration and Appointment and Audit Committees shall be independent members of the Committees, none of whom shall serve as Chairperson of the Board.</p> <p>Not all members of the Remuneration and Appointment Committee and the Audit Committee are appointed from the Board of EPSO-G. One member to each of the Committees is appointed on the basis of competence when performing the external selection of an independent member of the Committee.</p>

⁹The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
<p>5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.</p>	YES / NO	<p>Committees are formed in the Articles of Association of EPSO-G and under the decision of the body forming the Committee. The Rules of Procedures of the Remuneration and Appointment Committee are approved by the decision of the Board of EPSO-G, while the Rules of Procedures of the Audit Committee are approved by the decision of the sole shareholder EPSO-G, as it is consented by the Requirements for Members of the Audit Committee approved by the Bank of Lithuania (Article 5).</p> <p>The Rules of Procedures of the Committees are published on the EPSO-G website. Information about the structure of committees, activities, etc. is presented in the Consolidated Group's Annual Report.</p>
<p>5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.</p>	YES	<p>The Rules of Procedures of the Committees provide for the right of the members of the Committees to invite, at their discretion, to their meetings the members of the bodies, employees, representatives, candidates for certain positions of EPSO-G group of companies, or other persons, and to obtain from them the necessary explanations within their competence as well as require for that purpose that necessary actions would be carried out needed for the performance of the functions of the Committees.</p>
<p>5.2. Appointment committee</p>		
<p>5.2.1. The key functions of the appointment committee should be the following:</p> <ol style="list-style-type: none"> 1. to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The appointment committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2. assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3. devote the attention necessary to ensure succession planning. 	YES	<p>The Remuneration and Appointment Committee of EPSO-G serves as the advisory body to the Board acting on the Group level, the main functions of which are the following:</p> <ul style="list-style-type: none"> • assists in the selection of candidates for members of the collegial bodies in all undertakings of the group of companies; • provides recommendations for the undertakings of the group of companies on the appointment of members of the collegial bodies, conclusion of contracts with them and determination of remuneration for them; • provides recommendations on the policies of the group of companies that govern the remuneration policy and employee performance assessment; • provides recommendations on the planning system of shifts of critical positions.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Appointment Committee.	YES	It is defined in the Rules of Procedures that that the right of initiative to convene the Remuneration and Appointment Committee is exercised by the Boards or managers of the group of companies, as well as to propose the agenda of the meeting by submitting issue related material and draft resolutions. Currently, this provision is not practically relevant, as there are no employees of the Company in the Board.
5.3. Remuneration committee		
5.3.1. The main functions of the remuneration committee should be as follows: 1. submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2. regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3. review, on a regular basis, the remuneration policy and its implementation.	YES	Please refer to Comment under Item 5.2.1.
5.4. Audit committee		
5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee ⁹ . 5.4.2. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	YES	The Audit Committee of EPSO-G serves as an advisory body of the Company's Board on the Group level, the main functions of which are the following: <ul style="list-style-type: none">• supervises the audit and financial reporting of the group of companies;• takes responsibility for ensuring compliance with the principles of independence and objectivity of the auditors of the Group's companies and audit firms;• takes responsibility for monitoring the internal control, risk management and internal audit systems, effectiveness of operational processes of the Group's companies;• takes responsibility for monitoring the provision of non-audit services by the auditor of the Group's companies and/or audit firm;• ensures the functioning of complaints system and complaints handling;• evaluates transactions with related parties.

⁹Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	YES	The Rules of Procedures of the Audit Committee stipulate that the members of the Committee, at their own discretion, may invite to their meetings the members of the bodies, employees, representatives, candidates for certain positions of the group of companies, or other persons, and obtain from them the necessary explanations within their competence, as well as require for that purpose that necessary actions would be taken for the performance of the functions of the Committee.
5.4.4. The audit committee should be informed about the internal auditor's work programme and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work programme of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	YES	The Audit Committee is periodically, at least quarterly, introduced to the internal audit reports and at least once every six months with the internal audit plan; it may make recommendations to the Boards of the group of companies. The Audit Committee organizes meetings with the external auditors to discuss the auditors' work program and the uncertainties arising during the audit, and following the external audit, their conclusions and recommendations are discussed with the external auditors. The audit firm before the start of annual audits submits its declaration of independence to the Audit Committee and to the companies at the beginning of each year.
5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	YES	The Rules of Procedures of the Audit Committee provide that the Audit Committee ensures the effective functioning of the complaints system and the proportionate and independent investigation of submitted complaints. In performing this function, the Chairman of the Audit Committee is immediately informed about significant complaints received, as well as periodically reports to the Audit Committee on all complaints received by the Group companies, their investigation and decisions based on the findings of investigations.
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	YES	The Rules of Procedures of the Audit Committee stipulate that the Audit Committee shall submit quarterly activity report to the Board of EPSO-G. In addition, it shall submit an annual activity report to the Ordinary General Meeting and to the Board of EPSO-G.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
Principle 6: Prevention and disclosure of conflicts of interest		
The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.		
The corporate governance framework should recognise the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.		
6.1. Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	YES	Such an obligation is set out in the rules of procedures of the Board, an agreement signed with a Board member and the policy of managing the interests of members of the collegial bodies, managers and employees of EPSO-G UAB group of companies. Article 34 of the Company's Articles of Association stipulates that each candidate for a member of the Board must immediately inform the Board of any new circumstances that may give rise to a conflict of interest.
Principle 7: Remuneration policy of the company		
The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.		
7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	YES	The Company applies the Guidelines on the establishment of remuneration for the activity at EPSO-G UAB and corporate bodies of EPSO-G UAB group of companies approved by the sole shareholder of EPSO-G UAB, which are publicly available. The Company applies the Remuneration Policy of EPSO-G UAB group of companies and Employee Performance Assessment Policy of EPSO-G UAB group of companies in full that are both publicly available.
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	YES	All the possible forms of remuneration of the collegial bodies and the personnel are established in the Guidelines on the establishment of remuneration for the activity at EPSO-G UAB and corporate bodies of EPSO-G UAB group of companies and the Remuneration Policy of EPSO-G UAB group of companies, which are both publicly available.
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	YES	The Company applies the guidelines for determining remuneration for activities in the bodies of UAB EPSO-G and EPSO-G UAB group of companies regulating a fixed monthly remuneration for members of collegial bodies. The members of the Board are not remunerated depending on the results of the Company.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	YES / NO	The Remuneration Policy of EPSO-G UAB group of companies stipulates that the Group's companies do not conclude advance agreements on termination benefits (except for the CEOs whose terms of employment are determined by the Board). The amounts of benefits related to the termination of employment relationships are determined by taking into account the mandatory minimum amounts of such benefits under labour law, excluding exceptional cases where there are objective reasons for the agreement on higher benefits. The relevant Board of the Group's company shall be informed of the disbursement of such benefits and the grounds for their payment at its forthcoming meeting.
7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	IRRELEVANT	The financial incentive scheme is not applied in the Company.
7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	YES	Information on the implementation of the Company's Remuneration Policy and average salary levels of individual employee groups is publicly disclosed in the Company's Annual Report, on the Company's website. Public information on the remuneration of employees is provided on a quarterly basis on the Company's website.
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	YES	The remuneration of the members of the Board of the Company is determined by the General Meeting of Shareholders of the Company. Remuneration is subject to the Guidelines on the establishment of remuneration for the activity at EPSO-G UAB and corporate bodies of EPSO-G UAB group of companies, which are approved by the sole shareholder of EPSO-G UAB. Such schemes are not applied in the Company.

Principle 8: Role of stakeholders in corporate governance

The corporate governance framework should recognise the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.

8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	The Company applies the Transparency and Communication Policy of EPSO-G UAB group of companies, which establishes goals to increase awareness and understanding of stakeholders about the activities of EPSO-G UAB group of companies and individual group companies; to ensure employee engagement; to create and maintain sustainable relationship with stakeholders based on the mutual respect.
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PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorised capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	YES	The Company, together with the representatives of the Company's employees, conducts consultations, negotiations and briefings on the optimisation processes implemented in the Company. Stakeholders can take part in the corporate governance to the extent permitted by law.
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	Please refer to Comment under Items 8.1. and 8.2.
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	NO	The Corruption Prevention section of the Company's website contains the Trust Line contacts. In the prepared notification form, you are invited to report on the breaches of legislation and conduct, violations of ongoing economic transactions and accounting; bribery, corrupt practices, affectation of trade, abuse; conflicts of interest, nepotism and cronyism; breaches of transparency, equality, non-discrimination, proportionality and impartiality in procurement conducted by the executives and the employees of EPSO-G UAB and directly or indirectly controlled companies (LITGRID AB, Amber Grid AB, BALTPPOOL UAB, TETAS UAB, Power Link Service UAB, GET Baltic UAB), The information is sent to this address only to an EPSO-G corruption prevention officer, who ensures the confidentiality of its sender. The Audit Committee acting EPSO-G UAB group of companies-wide ensures the functioning of the system of lodging complaints and their handling. It is expected that a system will be established in the near future to provide information to a group-wide Audit Committee.

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
Principle 9: Disclosure of information		
The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.		
9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:	YES	The Transparency and Communication Policy is established at EPSO-G UAB. This information is disclosed in the Company's Annual Report and on the Company's website.
operating and financial results of the company;	YES	-
objectives and non-financial information of the company;	YES	-
persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	-
members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	YES	-
reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	YES	-
potential key risk factors, the company's risk management and supervision policy;	YES	-
the company's transactions with related parties;	YES	-
main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	YES	-
structure and strategy of corporate governance;	YES	-
initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects.	YES	-
This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.		

PRINCIPLES/RECOMMENDATIONS	YES / NO / IRRELEVANT	COMMENTS
9.2. When disclosing the information specified in Item 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	YES	EPSO-G UAB, as a parent company, discloses information on the financial results of the Group and the operations of the companies of the Group.
9.3. When disclosing the information specified in Item 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	YES	This information is disclosed in the Company's Annual Report and on the Company's website.
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	IRRELEVANT	The Company has the sole shareholder and it is not listed on the exchange.

Principle 10: Selection of the company's audit firm

The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.

10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	YES	An independent audit firm is appointed by the General Meeting of Shareholders.
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	YES	The Audit Committee operating at the Group level is actively involved in the selection process of an auditor. The Audit Committee provides a recommendation to the Board on the auditor's nomination. The final decision shall be made by the General Meeting of Shareholders, convened by the Board, which also proposes draft decisions.
10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	YES	<p>The audit firm provides non-audit services in accordance with the policy approved by the Audit Committee of EPSO-G UAB on the procurement of non-audit services of EPSO-G UAB group of companies from an audit firm or other firm that is a part of the network of the audit firm. Remuneration received by the audit firm for non-audit services provided to the group of companies during the reporting period is published in the annual report.</p> <p>The provision of non-audit services is supervised by the Audit Committee operating at the Group level, which, as mentioned in Item 10.2, is actively involved in the selection process of an auditor. Thus, the Audit Committee, when submitting a recommendation to the Board on the auditor, has all the necessary information on auditors.</p>