

**GUIDELINES FOR DETERMINING REMUNERATION FOR ACTIVITIES
IN THE CORPORATE BODIES OF UAB "EPSO-G" AND UAB "EPSO-G" GROUP OF COMPANIES**

I. GENERAL PROVISIONS

- 1.1. These guidelines for determining remuneration for activities in the corporate bodies (hereinafter referred to as the Guidelines) of UAB "EPSO-G" (hereinafter referred to as the Company) and UAB "EPSO-G" group of companies (hereinafter referred to as the Group) set out basic principles for determining remuneration for activities in the companies of the Group as members of the board, remuneration and nomination committee (hereinafter referred to as RNC), audit committee (hereinafter referred to as the AC) and other specialized committees (hereinafter collectively or individually referred to as the collegial bodies or CB) and in the performance of the management activities in the companies of the Group.
- 1.2. These Guidelines have been prepared, and when determining remuneration of the bodies of the Company in accordance with these Guidelines, one should follow the principle that the amount of the remuneration and its payment procedure should:
 - 1.2.1. promote long-term and sustainable value creation for the Company and the Group as a whole;
 - 1.2.2. correspond to the workload of the individual bodies of the Company and their members;
 - 1.2.3. meet as close as possible the current market situation, i.e. competitive with the salary levels offered on the labour market to professionals in the relevant field;
 - 1.2.4. ensure indemnification of the liability of individual CBs of the Company;
 - 1.2.5. ensure the independence of individual members of the CB of the Company;
 - 1.2.6. encourage the attraction of high level professionals in their field to the management of the Company.
- 1.3. In determining the remuneration for the activities in the bodies of the Company one should consider that:
 - 1.3.1. The Company, together with the legal entities directly and indirectly controlled by it, constitutes a Group in which the Company is the parent company (holding company), and this consequently implies that the activities of the bodies of the Company are related not only to the organisation of the activities of the Company, but also to the supervision and control of the companies of the whole Group;
 - 1.3.2. among the companies of the Group there are companies of strategic importance to national security, as well as stock exchange operators and companies involved in other activities, the totality of which creates significant complexity, therefore the bodies of the Company solve complex issues related to the strategic goals of the Group, carry out the activities significant to society and manage high-value infrastructure and assets;
 - 1.3.3. controlling the companies of the Group requires top-level specialists who would ensure the proper operation of the Group and effective achievement of the strategic goals set for the companies of the Group, therefore, in order to attract professionals in their field to occupy positions in the bodies of the Company, a competitive salary meeting the market conditions and sector practices must be determined.
- 1.4. In accordance with these Guidelines, the competent authorities shall take appropriate decisions on the level of remuneration of the bodies of the Company and on the additional expenses of the Company to ensure the operation of the CB.
- 1.5. The Guidelines shall be approved and amended by a decision of the General Meeting of Shareholders of the Company.

II. SPECIAL PROVISIONS

- 2.1. Remuneration for the activities of the CBs of the companies of the Group may be paid only to such members who meet at least one of the following conditions and the payment of remuneration to such members is not prohibited by the laws in force in the Republic of Lithuania:
- 2.1.1. independent members the independence of whom is determined in accordance with applicable normative legal acts and internal documents;
 - 2.1.2. members who are civil servants.
- 2.2. Remuneration is not paid to employees of the companies of the Group and (or) employees of shareholders of the companies of the Group.
- 2.3. Remuneration is paid only for activities in the CB, i.e. in the event of the resignation of a CB member from the position held, the expiry of the term of office or the removal of the relevant member from the position held, no benefits are paid, but the CB member is paid a remuneration proportional to the time spent holding the position of the CB member, if the CB member resigns from the position, his term of office expires or he is removed from his position before the end of the relevant month for which remuneration should be paid to the CB member.
- 2.4. Pursuant to the description of the procedure for awarding remuneration to members of the boards of state enterprises and municipal enterprises, approved by the Resolution No 1092 of the Government of the Republic of Lithuania of 14 October 2015 "On the approval of the description of the procedure for awarding remuneration to members of the boards of state enterprises and municipal enterprises and civil liability insurance of board members" (hereinafter referred to as the Description), the General Meetings of Shareholders and (or) other bodies of EPSO-G and the companies of the Group, in accordance with the competence assigned to them, shall make decisions regarding the determination of a specific fixed monthly remuneration and its payment procedure to CB members who meet the conditions provided for in paragraph 2.1, taking into account the amounts indicated in the table (excluding payable taxes):

	Company	Subsidiaries and downstream subsidiaries
Chairman of the Board	1/3 AMW(CEO)*	1/3 AMW(CEO)
Member of the Board	1/4 AMW(CEO)	1/4 AMW(CEO)
Member of the Board (public civil servant)	1/5 AMW(CEO)**	1/5 AMW(CEO)**
Chairman of AC and RNC of the Group	1/3 AMW(CEO) minus EUR400	N/A
Member of AC and RNC of the Group	1/4 AMW(CEO) minus EUR400	N/A

**AMW(CEO) means the average monthly wage of the Chief Executive Officer of the Company or of the Chief Executive Officer of a subsidiary or downstream subsidiary of the Company*

*** Except as provided for in paragraph 2.9 of the Guidelines.*

- 2.5. The specific fixed monthly remuneration for CB members of EPSO-G and the companies of the Group is calculated from the average monthly wage calculated and paid to the Chief Executive Officer of the Company and (or) the Chief Executive Officer of the subsidiaries and downstream subsidiaries for the previous calendar year after the time of determining the remuneration, and is not recalculated for the entire duration of the term of office of the CB member, except as provided for in paragraph 2.6.

/TRANSLATION FROM LITHUANIAN/

- 2.6. The General Meetings of Shareholders and (or) other bodies of EPSO-G and the companies of the Group may, within the scope of their powers, decide to review and adjust the fixed remuneration of CB members if, due to changes in the remuneration of the Chief Executive Officer of the Company and (or) the Chief Executive Officer of the subsidiaries and downstream subsidiaries, the remuneration of CB members no longer complies with the provisions of the Description.
- 2.7. The variable pay component for CB members is not set.
- 2.8. The corporate bodies of the Group may decide, within the scope of their powers, on a specific fixed monthly remuneration for the chairman/member of the Innovation and Development Committee or other specialised committees of the Group, which shall not exceed half of the remuneration paid to the chairman/member of AC and ASC of the Group.
- 2.9. If a member of the Board, other than a member of the Board (civil servant), serves and performs activities in a Board committee, the remuneration paid to him/her shall be aggregated, i.e. the Board member shall receive remuneration for both his/her activities in the Board and his/her activities in a committee of the Group. If the Board serves in the Innovation and Development Committee and is remunerated in accordance with paragraph 2.8 of the Guidelines, the remuneration shall be paid by the relevant company of the Group that nominated the member of the Board to the Committee, calculated based on the average monthly wage of the Chief Executive Officer of the relevant company that nominated the Board member for the previous year.
- 2.10. If a member of the Board of Directors (civil servant) serves and performs activities in the collegial body of another state-owned enterprise/state-controlled company and (or) a municipal enterprise/municipal-controlled company, he/she shall be paid a remuneration equal to 1/8 of the average monthly wage of the CEO of the relevant company of the Group. No remuneration is paid to a member of the Board (civil servant) for his/her activities in the Board Committee.
- 2.11. In the event that a member of the Board of the Company is elected as a member of the Board Committee formed in the Group and/or the Chairman of the Board, or a member of the Board of the Company is revoked / resigns from the position of a member of the Board Committee formed in the Group and (or) the Chairman of the Board, the remuneration of such member of the Board of the Company shall be changed without a separate decision of the Company's shareholder with reference to a salary set by the Company shareholder's decision depending on the position held.
- 2.12. 10% of the total relevant CB budget of the Company shall be allocated to the additional expenses of the Company for the activities of the CB. The budget allocated for the costs of CB activities can be used to organise joint CB trainings, cooperation sessions or any other form of joint CB events for the exchange of knowledge and good practice. CB training budgets of the Company are not used for individual training of CB members.
- 2.13. The CB of the Company shall account for its activities by submitting to the body that elected (formed) it an annual report on its activities in the respective CB of the Company, a summary of its decisions and minutes, and an annual performance evaluation report.

III. APPLYING REMUNERATION GUIDELINES WITHIN THE GROUP

- 3.1. The basic principles of remuneration set out in these Guidelines apply *mutatis mutandis* to the remuneration of members of the collegial and single-person bodies of companies belonging to the Group and directly or indirectly controlled by it.
- 3.2. Decisions on the implementation and scope of application of the Guidelines, as well as on the specific remuneration levels for the collegial and single-person bodies of companies owned and controlled directly or indirectly by the Group, shall be taken by the relevant bodies of such companies in accordance with the competence of such bodies as provided for in the Articles of Association of such companies and the applicable normative legal acts.

3.3. In other companies referred to the Group in which UAB "EPSO-G" is not the controlling shareholder, either directly or indirectly, the bodies of such companies may take into account the principles set out in these Guidelines.