

APPROVED:
AB „Rokiškio sūris“
Following resolution of the
xx xx 2020 General Meeting
of Shareholders No. ____

AB „Rokiškio sūris“

REMUNERATION POLICY

1. General provisions

- 1.1. The Remuneration Policy of Rokiškio sūris, AB (hereinafter - the Company) (hereinafter - Remuneration Policy) is prepared in accordance with the requirements of the Law on Companies of the Republic of Lithuania.
- 1.2. The Remuneration Policy defines the procedure for determining the remuneration paid to the Company's director and members of the Board, establishes the forms, bases and procedure for payment of monetary remuneration for members of the Company's collegial management and supervisory bodies, as well as regulates other issues related to remuneration of performance of the management bodies.
- 1.3. The purpose of the Remuneration Policy is to ensure that the Remuneration Policy of the Company's Executives is consistent with and promotes sound and effective risk management of the Company. The Remuneration Policy applies to the Managers (the Director of the Company and the members of the Board).
- 1.4. The Remuneration Policy shall apply from the date of approval of the General Meeting of Shareholders, unless the decision of the meeting provides for another date of their entry into force.

2. Preparation, management and supervision

- 2.1. The Remuneration Policy is drawn up for a period of four years. The Remuneration Policy may be changed earlier due to changes in objective economic and / or social factors (situation in the labour market, the country's average wage level, the company's financial position and other factors). When changing the Remuneration Policy, all remuneration reports approved after the last vote of the Company's General Meeting of Shareholders on the Remuneration Policy shall be submitted to the General Meeting of Shareholders.
- 2.2. Changes and / or additions to the Policy may be initiated by the head of the company, the Board of the Company and the shareholders of the Company, whose shares entitle to more than 1/10 of the votes of the Company.

- 2.3. The Director of AB Rokiškio sūris is responsible for the preparation of the draft Remuneration Policy, its submission to the Board of the Company, and the public announcement of the Remuneration Policy and the Remuneration Report on the company's website.
- 2.4. The Board of AB Rokiškio sūris is responsible for the evaluation of the remuneration project, submission of feedback and proposals to the General Meeting of Shareholders and regular monitoring of the Remuneration Policy, which allows to ensure proactivity, respond to current and emerging changes or challenges.
- 2.5. The Remuneration Policy and its amendments are approved by the General Meeting of Shareholders of the Company. The Remuneration Policy is considered approved when it is approved by at least 2/3 of the votes of the shareholders present at the General Meeting of Shareholders of the Company.
- 2.6. Upon approval of the Remuneration Policy, the remuneration of the Company's executives is paid in accordance with the Remuneration Policy approved by the Company's General Meeting of Shareholders.
- 2.7. If the General Meeting of Shareholders of the Company does not approve the proposed Remuneration Policy, the Company shall pay the remuneration to the managers in accordance with the decisions of the relevant bodies, by which the remuneration was determined prior to the consideration of the Remuneration Policy. When it is proposed to change the approved Remuneration Policy, but if the Company's General Meeting of Shareholders does not approve the new Remuneration Policy, the Company's management is remunerated in accordance with the current Remuneration Policy and the proposed new Remuneration Policy is submitted for approval at the next General Meeting of Shareholders.
- 2.8. The Chief Executive Officer shall publish the Remuneration Policy and / or its amendments on the Company's website immediately after the General Meeting of Shareholders approving the Remuneration Policy and its amendments or additions, indicating the date of the General Meeting of Shareholders approving the Remuneration Policy and voting results.
- 2.9. The Company does not have a Remuneration Committee.

3. Parts of the remuneration of the head of the company and the principles of their determination

- 3.1. The remuneration paid to the director of the company consists of one or more of the following parts belonging to the financial and non-financial performance:
 - basic salary - fixed salary (monthly salary);
 - an additional variable component of the remuneration, the incentive fund;
 - bonuses;
 - material benefits.

- 3.2. The director of the company is paid a fixed salary, which is a monthly salary paid on the basis of an employment contract. The amount of the basic salary of the Director of the Company is determined by the Board of the Company. The amount of the director's basic monthly salary may not exceed 5 (five) average monthly salaries of the Company's employees of the previous financial year.
- 3.3. Part of the additional remuneration paid to the Director of the Company is the incentive fund which directly depends on the financial results of the Company. The additional amount of the director's salary may not exceed 100% of the amount of the basic monthly salary.
- 3.4. The amount of the bonus awarded to the director during the financial year may not exceed the average. bonuses per board member for the previous financial year.
- 3.5. The part of the additional remuneration paid to the Director of the Company - the incentive fund - directly depends on the financial results of the Company. The additional amount of the director's salary may not exceed 100 percent of the basic monthly salary.
- 3.6. The amount of the bonus awarded to the director during the financial year may not exceed the average tantjemes per member of the Board awarded for the previous financial year.
- 3.7. The remuneration - the basic salary - is paid to the Director in accordance with the procedure and terms provided for in the Company's remuneration procedure and employment contract. The employment contract does not provide for any arrangements for supplementary pensions or early retirement.
- 3.8. The additional salary - the incentive fund - is paid to the Director together with the basic salary in accordance with the procedure established in the employment contract.
- 3.9. The Company's Director is subject to additional incentive benefits, which are granted to all employees of the Company, i.e. cost compensation, one-time incentive payments, material benefits, benefits to use the company's ambulatory care centre, and other financial benefits provided for in the Company's Rules of Work and Collective Agreement.
- 3.10. The Company does not apply any deferred payment of remuneration and does not exercise the option to recover the variable part of remuneration.
- 3.11. Remuneration upon granting the Company's shares to the Director is not paid.

4. Remuneration structure of the members of the Board of the Company

- 4.1. The members of the Board are appointed and / or revoked for the term provided for in the Articles of Association of the Company.

- 4.2. Members of the Board of the Company are paid only tantjemes, which are granted in accordance with the procedure established by legal acts by the decision of the General Meeting of Shareholders of the Company and the appointment of which is disclosed in the consolidated annual report of the Company. No agreements are concluded with the members of the Board of the Company on the basis of which they perform their duties.
- 4.3. Tantjemes are awarded and paid to the members of the Board for successful performance of the Company. The share of the Company's profit allocated for the payment of tantjemes may not exceed 1/3 of the Company's share of the profit intended for the payment of dividends.
- 4.4. Following the decision of the General Meeting of Shareholders on the payment of tantjemes, the share of tantjemes due to a particular member of the Board is determined by the decision of the Board, taking into account the contribution of a particular member of the Board to the Company's activities.
- 4.5. No variable remuneration or bonus is paid to the members of the Board of the Company. Remuneration for granting the Company's shares to the members of the Board is also not paid.

5. Final Provisions

- 5.1. The Remuneration Policy is reviewed and updated regularly, within the terms and in accordance with the procedure established by legal acts.
- 5.2. The Remuneration Policy enters into force upon its approval by the Company's General Meeting of Shareholders. At the end of the financial year, the Company prepares a Remuneration Report, which reviews the remuneration of the Executives, including all bonuses provided for in the Remuneration Policy.
- 5.3. The Remuneration Policy and the Remuneration Report are publicly available on the Company's website www.rokiskio.com