

APPROVED  
In AB Klaipėdos nafta  
Audit Committee 03-02-2020 meeting  
Minutes No. 26

**JOINT-STOCK COMPANY'S KLAIPEDOS NAFTA  
AUDIT COMMITTEE  
OPINION ON TRANSFERS WITH THE RELATED PARTY**

03-02-2020

The Audit Committee of AB Klaipėdos nafta (hereinafter – the KN) upon request of KN and in accordance to the Article 37<sup>2</sup> Paragraph 5 on Law of Companies of the Republic of Lithuania providing its opinion on transfers with the related party.

<b>1. Assumptions, criteria and arguments on which the opinion is based:</b>	<p>KN, KN Açu Serviços de Terminal de GNL Ltda. (hereinafter – the SPV Brazil) and UTE GNA I Geração de Energia S.A. entered into a Terminal Operator Service Agreement with for a liquefied natural gas terminal in Brazil (hereinafter – the LNG terminal) (this was announced by KN in a notice of material event dated 03-02-2020).</p> <p>Planned transfers are continuation of the project in Brazil and the part of business plan.</p> <p>1.1. By Agreement of Service between KN and SPV Brazil KN seeks to provide various LNG terminal management and consultation services in Brazil (hereinafter – the Agreement of Service).</p> <p>1.2. By Agreement of Credit between UAB SGD logistika and SPV Brazil it is seeking to borrow working capital which is necessary to provide services of an operator of the SPV Brazil, including, provision of equipment, tools and materials; provision of related consultancy services; and any other activity required or related to these services (hereinafter – the Agreement of Credit).</p> <p>1.3. The terms of the Agreement of Service are in line with the arm's length principle, as to the related party transfer pricing policy the transaction net margin method is used. This method measures the net profitability (including operating costs) of comparable market enterprises. This is the mark-up for the services, which will be determined by the</p>
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	<p>financial performance of companies operating in the market, which provide comparable services, i.e. comparative studies will be conducted for the different types of services in the AMADEUS database.</p> <p>1.4. The terms of the Agreement of Credit are in line with arm's length principle, as to the related party transfer pricing policy the comparable independent pricing method is used. This method compares statistical interest rates on comparable loans in Lithuania and Brazil, as well as evaluates other considerations for regulating Brazilian interest rate deductions.</p> <p>1.5. Transfers pricing is based on a related party transfer pricing policy document.</p>
<b>2. Regarding the market conditions for the transfer:</b>	Audit Committee does not see any facts or assumptions, indicating that planned transfers would be concluded under non-market conditions.
<b>3. Regarding the fairness and reasonableness of the transfer, in respect of the joint-stock company whose shares are admitted to trading on a regulated market and its non-counterparty shareholders:</b>	In opinion of Audit Committee, there are no data indicating that planned transfers would be unfair and unreasonable in respect of the KN and its non-counterparty shareholders.

Chairman of the Audit Committee

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Andrius Varanavičius