



# Notice of the Annual General Meeting of Shareholders

28 February 2024

## Annual General Meeting of Shareholders of AB "Ignitis grupė"

On 28 February 2024, the Management Board of AB "Ignitis grupė" (hereinafter – the Group or the Company), company code: 301844044, registered office address: Laisvės Ave. 10, Vilnius, decided to convene the Annual General Meeting of Shareholders (hereinafter – AGM) to be held on

**27 March 2024, 13.00 pm (Vilnius time) at**

**Business Garden Vilnius verslo centras, Laisvės Ave. 10, Vilnius, LT-04215**

**Registration starts at 12.15 pm and closes at 12.50 pm (Vilnius time)**

The agenda for the AGM and proposed resolutions are as follows:

No.	Item	Proposed resolution	Supplementary information
1.	Regarding AB "Ignitis grupė" consolidated annual report and remuneration report, as part of the consolidated annual report, for the year 2023	1.1. To agree to AB "Ignitis grupė" consolidated annual report and remuneration report, as part of the consolidated annual report, for the year 2023.	(link)
2.	Regarding the approval of the set of annual financial statements of AB "Ignitis grupė" and the set of consolidated financial statements of AB "Ignitis grupė" group of companies for the year ended 31 December 2023	2.1. To approve the set of annual financial statements of AB "Ignitis grupė" and the set of consolidated financial statements of AB "Ignitis grupė" group of companies for the year ended 31 December 2023.	(link)
3.	Regarding the cancellation of the reserve for the acquisition of own ordinary registered shares	3.1. To transfer EUR 37,659,965 (thirty-seven million six hundred and fifty-nine thousand nine hundred and sixty-five euros) from the reserve of AB "Ignitis grupė" for the acquisition of own ordinary registered shares to distributable profit.  3.2. To cancel the reserve of AB "Ignitis grupė" for the acquisition of own ordinary registered shares.	Annex 1
4.	Regarding the allocation of profit (loss) of AB "Ignitis grupė" for the year 2023	4.1. To allocate AB "Ignitis grupė" profit (loss) for the year 2023 in accordance with the draft of profit (loss) allocation as provided (attached).	Annex 2
5.	Regarding the approval of the updated Remuneration Policy of AB "Ignitis grupė" group of companies	5.1. To approve the updated Remuneration Policy of AB "Ignitis grupė" group of companies (attached).	Annexes 3 – 5

6.	Regarding the remuneration of the members of the Supervisory Board of AB "Ignitis grupė"	<p>6.1. In accordance with the updated Remuneration Policy of AB "Ignitis grupė" group of companies, to determine the following fixed remuneration per calendar month for the members of the Supervisory Board of AB "Ignitis grupė" as of 1 April 2024:</p> <p>6.1.1. EUR 3,466 (three thousand four hundred and sixty-six euros) before tax for an independent member of the Supervisory Board of AB "Ignitis grupė";</p> <p>6.1.2. EUR 4,614 (four thousand six hundred and fourteen euros) before tax if an independent member of the Supervisory Board of AB "Ignitis grupė" is elected Chair of the Supervisory Board, during the term of office of the Chair;</p> <p>6.1.3. EUR 1,733 (one thousand seven hundred and thirty-three euros) before tax for a civil servant holding the position of a member of the Supervisory Board of AB "Ignitis grupė".</p> <p>6.2. To authorise the CEO of AB "Ignitis grupė" (with the right to sub-authorise) to sign agreements with the members of the Supervisory Board of AB "Ignitis grupė" regarding the amendment of the agreements on the activities of a member of the Supervisory Board of AB "Ignitis grupė" and on the activities of an independent member of the Supervisory Board of AB "Ignitis grupė" in accordance with the terms and conditions set out in paragraph 6.1 of this resolution.</p>	Annex 6
7.	Regarding the remuneration of the members of the Audit Committee of AB "Ignitis grupė"	<p>7.1. In accordance with the updated Remuneration Policy of AB "Ignitis grupė" group of companies, to determine the following fixed remuneration per calendar month for the members of the Audit Committee of AB "Ignitis grupė" as of 1 April 2024:</p> <p>7.1.1. EUR 1,987 (one thousand nine hundred and eighty-seven euros) before tax for an independent member of the Audit Committee of AB "Ignitis grupė" who is not a member of the Supervisory Board of AB "Ignitis grupė";</p> <p>7.1.2. EUR 2,208 (two thousand two hundred and eight euros) before tax if an independent member of the Audit Committee of AB "Ignitis grupė" who is not a member of the Supervisory Board of AB "Ignitis grupė" is elected Chair of the Audit Committee, during the term of office of the Chair.</p> <p>7.2. To authorise the CEO of AB "Ignitis grupė" (with the right to sub-authorise) to sign agreements with the members of the Audit Committee of AB "Ignitis grupė" who are not members of the Supervisory Board of AB "Ignitis grupė" regarding the amendment of the agreements on the activities of a member of the Audit Committee of AB "Ignitis grupė" in accordance with the terms and conditions set out in paragraph 7.1 of this resolution.</p>	Annex 6

## Other information

### Share capital and voting rights

The Group's share capital is EUR 1,616,445,476.80, divided into 72,388,960 ordinary registered shares with a nominal value of EUR 22.33 per share. Each share carries one vote.

### Agenda

The agenda for the AGM of the Group may be supplemented on the initiative of shareholders whose shares held in the Group carry at least 1/20 of all votes at the AGM of the Group. The proposal to supplement the agenda of the respective AGM shall be accompanied by draft resolutions or, where no resolutions have to be passed, by explanations on each proposed agenda item of the AGM. The agenda shall be supplemented if the proposal is received no later than 14 days before the respective AGM.

Shareholders whose shares held in the Group carry at least 1/20 of all votes at the AGM shall have the right to propose, at any time before or during the AGM of the Group, new draft resolutions on issues that are included or will be included in the agendas of the AGM of the Group. Proposals on the supplementation of the respective agenda or relevant draft resolutions shall be submitted in writing to the Group, Laisvės Ave. 10, Vilnius, or by e-mail [IR@ignitis.lt](mailto:IR@ignitis.lt).

### Record date of attendance and voting rights

Shareholders holding shares in the Group on the fifth business day before the date of the AGM (record date) are entitled to attend and vote at the AGM.

The date of registration (or record date) is 20 March 2024. At the end of the date of registration, the shareholding and voting rights are determined based on the ownership recorded in the shareholders' register. Furthermore, attendance at the AGM is at the discretion of the shareholder.

### Voting

A shareholder or his authorised representative who is unable to attend the AGM may vote in writing in advance (by filling in and submitting the general ballot paper).

#### *Obtaining a general ballot paper*

- It may be downloaded from the Group's website: <https://ignitisgrupe.lt/en/gm>
- Upon a written request, the Group shall send a general ballot paper by registered mail or deliver it to the shareholder with a signed acknowledgement of receipt at least 10 days prior (or by 17 March 2024) to the AGM.

#### *Ways of submitting a general ballot paper*

- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted by emailing [IR@ignitis.lt](mailto:IR@ignitis.lt)  
or
- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted to the Group by registered mail or delivered to AB "Ignitis grupė", Laisvės Ave. 10, Vilnius, LT-04215, Lithuania, attn. Ainė Riffel-Grinkevičienė, no later than before the AGM, i.e., no later than 27 March 2024, 12.50 pm.

**Important:** if the general ballot paper is signed by an authorised person, a document confirming the right to vote must be submitted as well.

- Detailed instructions on signing and submitting the general ballot paper to the Group are also available on the Group's website: <https://ignitisgrupe.lt/en/gm>

The Group shall reserve the right not to include the advance vote of a shareholder or his/her authorised representative, if the submitted general ballot papers do not conform to the provisions of Article 30(3) and (4) of the

Law on Companies of the Republic of Lithuania or they are received after the end of deadline or filled in such manner that it is impossible to establish the true will of the shareholder on a separate issue.

### ***Voting under the power of attorney***

Persons shall have the right to vote under the power of attorney in the AGM. The power of attorney shall state in a written document that one person (the principal) grants to another person (the authorised representative) the right to represent the principal in establishing and maintaining relation with the third party. An authorisation to perform actions on behalf of a natural person that pertain to legal entities must be notarised, except in cases provided by law and authorising the granting of an authorisation in any other form. A power of attorney issued abroad must be translated into Lithuanian and legalised in accordance with the procedure established by law. The Group does not establish a special form of power of attorney. Authorised representatives must hold the power of attorney as provided by law, which must be submitted before the AGM. The authorised representative shall enjoy the same rights in the convened AGM as his/her represented shareholder would.

Shareholders entitled to attend the AGM shall have the right to authorise a natural person or a legal entity using electronic means of communication to attend and vote on their behalf at an AGM. Such authorisation does not need to be notarised. The Group shall acknowledge authorisation granted by electronic means of communication only if the shareholder signs it by electronic signature generated by safe software and certified by a qualified certificate applicable in the Republic of Lithuania, i.e., if the security of the conveyed information is ensured and the identity of the shareholder can be established. The shareholder must notify the Group in writing about granted authorisation by electronic means of communication by sending an authorisation by e-mail to [IR@ignitis.lt](mailto:IR@ignitis.lt) no later than until the AGM.

### **Questions**

Any shareholder of the Group may present questions related to the agenda of the AGM of the Group. Such questions must be submitted by e-mail to [IR@ignitis.lt](mailto:IR@ignitis.lt) or delivered to the Group, Laisvės Ave. 10, Vilnius, Lithuania, attn. Ainė Riffel-Grinkevičienė no later than 3 working days (or by 22 March 2024 inclusive) before the AGM. After receiving the questions, the answers will be provided to the Group's shareholders in accordance with the procedure established by the Law on Companies of the Republic of Lithuania, i.e., at the same time for all shareholders of the Group prior to the AGM in the form of questions and answers on the website of the Group at <https://ignitisgrupe.lt/en/gm>.

### **Webcast**

The AGM will not be webcasted.

### **Language**

The AGM will be held in Lithuanian with simultaneous interpretation to English.

### **Available information**

All statutory information related to the convened AGM and annexes to items on the agenda of such a meeting will be available on the website of the Group at <https://ignitisgrupe.lt/en/gm> and other informational sources based on the procedures established by law.

### **Other information**

The Group CEO, the Group CFO, members of the Management Board and members of the Supervisory Board are entitled to attend and speak at the AGM. During this AGM, the Group's CEO and CFO and members of the Supervisory Board will participate in the meeting.

Electronic means of communication shall not be used for the participation and voting at the AGM.

## Annex 1: Arguments regarding the cancellation of the reserve for the acquisition of own ordinary registered shares

In relation to the Company's post IPO stabilised securities, the General Meeting adopted resolutions to form a reserve of EUR 37,659,965 (on 25 March 2021 for the amount of EUR 23,000,000 and on 29 March 2022 for the amount of EUR 14,659,965) for the acquisition of own ordinary registered shares. The process of acquiring the Company's securities is completed as ordinary registered shares were acquired on 14 December 2021 and on 27 April 2022. In view of the above, a decision on the transfer of EUR 37,659,965 from the Company's reserve for the acquisition of own ordinary registered shares to distributable profit and on the cancellation of the reserve is submitted to the General Meeting.

In accordance with the Law on Companies of the Republic of Lithuania, the General Meeting has the exclusive right to decide on the formation, use, reduction and cancellation of reserves.

## Annex 2: Draft allocation of AB “Ignitis grupė” profit (loss) for the year 2023

	Amount, EUR
<b>Retained earnings (loss) as at 31 December 2022<sup>1</sup></b>	<b>128,802,846.88</b>
Net profit (loss) for the year 2023	259,946,062.09
Transfer from treasury shares reserve	37,659,965.00
<b>Distributable profit (loss)</b>	<b>426,408,873.97</b>
Transfer to legal reserve	(12,997,303.00)
Allocated dividends for 2023 I half-year	(46,546,101.28)
Allocation of dividends for 2023 II half-year	(46,546,101.28)
<b>Retained earnings (loss) as at 31 December 2023 brought forward to next financial year</b>	<b>320,319,368.41</b>
<b>Dividend per share for 2023</b>	<b>1.286</b>
Allocated for 2023 I half-year	0.643
To be allocated for 2023 II half-year	0.643
<i>Number of shares for the distribution of dividends</i>	<i>72,388,960</i>

<sup>1</sup> Previous year's retained earnings (loss) at the end of the reporting financial year.

## Annex 3: Arguments regarding the proposals to approve the updated Remuneration Policy of AB “Ignitis grupė” group of companies

Article 37<sup>3</sup>(1) of the Law on Companies of the Republic of Lithuania provides that a public limited liability company whose shares are admitted to trading on a regulated market must approve a remuneration policy. The remuneration policy must apply at least to the CEO and members of the Management Board and the Supervisory Board of the company.

The wording of the Remuneration Policy of AB “Ignitis grupė” group of companies (hereinafter – the Remuneration Policy or the Policy), which is currently in force, was approved by the resolution of the General Meeting of Shareholders of AB “Ignitis grupė” on 30 March 2023.

Following the assessment of the legal framework and in order to ensure a unified remuneration system within the Company’s group of companies, an updated Remuneration Policy has been developed and is presented.

Changes to the Remuneration Policy are proposed for the following reasons:

- (1) the remuneration element PMB (payment for the activities of the Executive Board) is no longer applied in the Group as it has been included in the fixed base salary and therefore PMB is also removed from the Remuneration Policy (paragraphs 2, 5.1 and 8.1 of the draft Remuneration Policy);
- (2) for the sake of clarity regarding the qualification of variable remuneration, the Remuneration Policy has been supplemented with the provision that variable remuneration is designed to reward employees’ performance, as provided for in Article 142(1)(2) of the Labour Code of Republic of Lithuania (paragraph 2 of the draft Remuneration Policy);
- (3) Group companies with very significant and critically important projects need to have the means to attract the necessary highly skilled employees for the implementation of these projects and retain them until the completion of strategic projects. In the Remuneration Policy, which is currently in force, these means are linked specifically to renewable energy projects. Given that the Group’s long-term strategy is based not only on the development of renewable energy projects, adjustments to the Remuneration Policy are therefore proposed to provide that incentives must be linked not only to the Group’s strategic objectives but also to other very significant and critically important projects (paragraphs 2 and 5.1 of the draft Remuneration Policy);
- (4) in order to provide flexibility in the Remuneration Policy, the Remuneration Policy has been supplemented with a provision regarding the possibility to introduce, by a decision of the Management Board of the Company, specialised remuneration systems for the Group’s employees, based on market data and business needs (paragraph 3.5 of the draft Remuneration Policy);
- (5) in order to disclose the objectives for the achievement of which variable remuneration is paid, the Remuneration Policy has been supplemented with links to the Group’s annual objectives and the Group’s long-term objectives which are published on the Company’s website. Also, for the purposes of clarity on the correlation between short-term and long-term objectives, the Remuneration Policy provides that short-term objectives may support the achievement of long-term objectives and they are not considered as overlapping if they are focused on distinct time horizons or targets where the achievement of the objectives is of utmost importance at both operational and strategic levels. Each of the selected targets has its own dynamics at distinct time horizons and its own impact on the Company’s performance (paragraphs 4.2, 4.3 and 5.1 of the draft Remuneration Policy);
- (6) in addition, paragraph 4.4 of the Remuneration Policy has been supplemented with the principles for assessing the achievement of objectives by setting minimum and maximum thresholds for the achievement of objectives for which variable remuneration is paid (paragraph 4.4 of the draft Remuneration Policy);
- (7) in order to ensure equal treatment, it is proposed that the Remuneration Policy sets a maximum amount of discretionary bonus which does not exceed 3 fixed base salaries per year (paragraph 5.1 of the draft Remuneration Policy);
- (8) in order to ensure clarity, it is proposed that the Remuneration Policy sets specific rather than maximum amounts of variable remuneration, leaving the maximum amount of long-term incentives only for managers with strategic responsibilities (paragraph 6.1 of the draft Remuneration Policy);
- (9) in accordance with the Remuneration Policy, the remuneration of members of the Company’s collegial bodies is fixed for the entire term of office and is only changed after the Remuneration Policy is amended by a decision of the Company’s General Meeting. Members of collegial bodies have a legitimate expectation that their remuneration would be reviewed at least once during their four-year term of office, taking into account changes in the salary market, inflation and other indicators. For these reasons, the



Remuneration Policy introduces a rule to review the remuneration of members of the Company's Supervisory Board in the middle of their four-year term of office and to link the review to the salary market data which is used for the review of the remuneration of all Group employees. It should be noted that linking the review of the remuneration of members of the Company's Supervisory Board to the salary market data is based on the management of interests as set out below. There is an obligation in the legal regulation of the Republic of Lithuania that the remuneration of members of a collegial body which is elected by the General Meeting of a state-owned company is linked to the remuneration of the company's CEO. Since the Remuneration Policy provides that the Company's Supervisory Board has the competence to make substantive decisions related to the remuneration of the CEO of the Company, the review of the remuneration of members of the Company's Supervisory Board should therefore be linked to objective data rather than a change in the CEO's remuneration in order to avoid any conflicts of interest. To sum up, the Remuneration Policy stipulates that the remuneration of the Company's collegial bodies may be reviewed not earlier than in the middle of the term of office by applying the average percentage used for the annual review of the fixed base salary of Group employees (paragraph 8.4 of the draft Remuneration Policy);

- (10) other technical corrections are also proposed in the draft Remuneration Policy, including those related to language style.

By its decision of 20 February 2024, the Management Board of the Company agreed to the updated Remuneration Policy of AB "Ignitis grupė" group of companies, and it was decided to submit it for approval to the General Meeting of Shareholders of AB "Ignitis grupė".

In addition, pursuant to Article 31.16 of the Articles of Association of the Company and Article 32(1)(10) of the Law on Companies, the Supervisory Board of the Company, taking into account the opinion of the Nomination and Remuneration Committee of the Supervisory Board of the Company, has submitted an opinion, by its decision of 23 February 2024, to propose to the General Meeting of Shareholders to approve the updated Remuneration Policy.

## Annex 4: The updated Remuneration Policy of AB "Ignitis grupė" group of companies

Title of the Normative Internal Legal Act	<b>Remuneration Policy of AB "Ignitis grupė" group of companies</b>
The title of the process	Human and Culture Management - Remuneration
Process owner (unit)	People and Culture
Approving company	AB "Ignitis grupė"
Body/position of the approving person	General Meeting of Shareholders of AB "Ignitis grupė"
Date of entry into force	Approved by the <u>Resolution</u> of the Annual General Meeting of Shareholders of AB "Ignitis grupė" on 30 March 2023 (Updated by the Resolution of the Annual General Meeting of Shareholders of AB "Ignitis grupė" on [27 March 2024])

### REMUNERATION POLICY OF AB "IGNITIS GRUPĖ" GROUP OF COMPANIES

AB "Ignitis grupė" group of companies (the Group) applies a remuneration policy in order to maintain employee motivation and respond to shareholders' expectations for sustainable, socially responsible development by creating a modern, international, competitive energy Group.

The remuneration policy aims to attract and retain competent, fast-learning, technologically advanced, globally minded and creative employees.

The Supervisory Board of AB "Ignitis grupė" is a collegial supervisory body elected by the General Meeting of Shareholders. For the effective performance of the Supervisory Board's functions and responsibilities in the field of remuneration, the Supervisory Board has set up a Nomination and Remuneration Committee to assess and make proposals on the Group's long-term remuneration policy, to monitor the compliance of the Group's remuneration policy with international practice and recommendations of good governance practice and to make appropriate proposals for the improvement of the remuneration policy. The Supervisory Board and the Nomination and Remuneration Committee ensure the proper functioning of the system for the prevention of conflicts of interest when making decisions on the remuneration system.

#### 1. PURPOSE AND SCOPE OF APPLICATION

- |      |                              |   |
|------|------------------------------|---|
| 1.1. | <b>Purpose:</b>              | to establish unanimously fair, clear and transparent principles of remuneration for the employees of AB "Ignitis grupė" group of companies and an employee remuneration system based on them. |
| 1.2. | <b>Scope of application:</b> | applies to all Employees and all companies of AB "Ignitis grupė" group of companies.  |

#### 2. TERMS AND ABBREVIATIONS

##### Abbreviations

**Remuneration Policy** – remuneration policy of AB "Ignitis grupė" group of companies; this document

**LTI** – a long-term incentive, variable part of remuneration paid for achieving long-term objectives.

**STI** – a short-term incentive, variable part of remuneration paid for the agreed and measurable short-term (usually annual) results based on the Employee's performance evaluation.

**FBS** – fixed base salary.

##### Terms

**Parent Company** – AB "Ignitis grupė".

**Employees with Strategic Responsibilities** – Employees who have strategic responsibilities and/or make a significant impact on the Group's performance.

**Employee** – a person who has an employment relationship with the Parent Company or the Company, including all executives, unless otherwise specified in the Remuneration Policy.

**Group** – the Parent Company and its subsidiaries (including lower-tier subsidiaries as well as subsidiaries with their registered offices abroad) in which the Parent Company directly and/or indirectly holds the

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**NRC** – Nomination and Remuneration Committee of the Supervisory Board of the Parent Company.

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**SB** – Supervisory Board of the Parent Company.

majority of the votes or may directly or indirectly exercise a decisive influence, as defined in Article 5 of the Law on Companies of the Republic of Lithuania.

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**Company** – a Group company, except for the Parent Company.

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**Collegial Body** – a collegial management body – the Management Board/ the Board, and/or a collegial supervisory body – the Supervisory Board, as specified in the Parent Company's and/or Companies' founding documents.

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**Key Executives** – Employees holding the position of members of the Parent Company's Management Board, as well as CEOs of AB "Energijos skirstymo operatorius", UAB "Ignitis", AB "Ignitis gamyba" and UAB "Ignitis renewables".

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**Variable Remuneration** – a part of remuneration that is paid for the achievement of agreed and measurable short-term and long-term results. For the sake of clarity, Variable Remuneration is designed to reward Employees' performance, as provided for in Article 142(1)(2) of the Labour Code of Republic of Lithuania.

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**Managers with Strategic Responsibilities** – managers who have the Group's long-term (longer than one year) strategic and/or critically important objectives. The list of Managers with Strategic Responsibilities within the Group shall be approved by the decision of the Management Board of the Parent Company.

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### 3. PRINCIPLES OF THE REMUNERATION POLICY

#### 3.1. Key principles of the Remuneration Policy:

<b>Internal fairness</b>	The Group ensures that similar or same value-creating work is remunerated equally throughout the organisation. The remuneration system is based on the Group's job structure, which consists of jobs divided into job levels.
<b>External competitiveness</b>	Employees are entitled to receive a competitive salary based on their function, responsibilities, market conditions and geography.
<b>Clarity</b>	The Group aims that all Employees are informed about how their performance, competences and qualification impact their remuneration package as well as on what basis it is set.
<b>Transparency</b>	The Group believes in transparency and shares its objective remuneration criteria with its employees. The job structure and salary ranges are posted on the Parent Company's intranet and are available to all Employees.
<b>Equal opportunities and non-discrimination</b>	Decisions on remuneration must be made in accordance with the provisions set out in the Remuneration Policy, its implementing legislation and the Policy of Equal Opportunities and Diversity in force in the Group.

- 3.2. The Group aims to create a high performing organisational culture that achieves its objectives, therefore, the remuneration system aims to promote pay-for-performance behaviours related to the achievement of the objectives set for the Group, teams, and Employees.
- 3.3. The Remuneration Policy shall be detailed in the internal legal acts of the Group and/or the Parent Company and/or a Company, which must not contradict this Remuneration Policy.
- 3.4. The Group aims to pay all Employees a competitive salary of a respective market, including the market of a specific function. Due to market differences and dynamics, a different policy line and/or compensation element or its size can be introduced for a specific function or business line.
- 3.5. The Management Board of the Parent Company may introduce specialised remuneration systems for individual groups of Employees, positions or Employees employed in a foreign country that require a different system for determining objectives as well as determining and/or awarding STI and LTI in order to achieve specific and critically important performance results according to market or business needs. Key

Executives, CEOs of Companies and members of executive committees of Companies (if any) are excluded from these specialised systems. The elements of remuneration and the specifics of their application to Key Executives are specified in Section 7 of this Remuneration Policy.

- 3.6. The deferral of Variable Remuneration is not used in the Group. The Parent Company and Companies (in the case of the members of the Management Board of the Parent Company – with the approval of the SB) have the possibility not to pay, reduce or require the return of STI or tranches of the LTI in part or in full from an Employee who commits unlawful acts whilst achieving set objectives or in cases such as the re-statement of accounts or the submission of erroneous data (malus and claw-back). The “good leaver” and “bad leaver” conditions are applied to the payment of Variable Remuneration. The Supervisory Board shall set the conditions for the Parent Company’s Management Board, and the Management Board of the Parent Company shall set the conditions for other Employees.
- 3.7. The provisions of the Remuneration Policy shall be interpreted and applied in such a way that the SB has discretion to make and/or control substantive decisions related to the remuneration of the Management Board of the Parent Company. When deciding on matters related to the remuneration of the Management Board of the Parent Company, the SB shall be guided by the Remuneration Policy and shall take into account the opinion of the NRC.
- 3.8. This Remuneration Policy shall be published on the Parent Company’s website.

#### 4. OBJECTIVES

4.1. Short-term annual objectives for Employees, except those specified in paragraph 4.2, are set on the basis of a mixture of objectives – the Group’s, the Group’s/function’s, a Company’s and team/individual objectives. Based on market practices and/or the competitiveness of specific fields, semi-annual or quarterly objectives may be set for specific Employee groups.

4.2. The short-term objectives of the CEO and members of the Management Board of the Parent Company are the same as the annual objectives of the Group approved by the SB. Short-term objectives usually support achievement of LTI objectives. STI objectives are public and may be accessed on the Group’s [website \(link\)](#) and usually cover such areas as:

4.3. The Group’s long-term objectives for Key Executives are set by the decision of the SB based on the Parent [Company’s strategic plan \(link\)](#). Long-term objectives are not the same as short-term objectives. Overlapping should not be considered if they are focused on distinct time horizons or targets. LTI objectives usually cover such areas as:

Types of Short-term objectives (example)	Types of Long-term objectives (example)
Financial targets	TSR (total shareholder return) performance
Strategic projects or their key milestones	Financial targets and/or return on capital employed
Sustainability targets	Growing business and/or increasing efficiency
Service quality (if applicable)	Sustainability targets

*Detailed information on STI and LTI objectives, targets and weightings is disclosed in the remuneration report and on the Parent Company’s website on annual basis.*

4.4. The achievement of the set short- and long-term objectives are assessed in terms of the percentage of their achievement. A minimum threshold for the achievement of a specific target is 70%, and therefore if the target is achieved at a lower percentage, the target shall be assessed as not achieved (0 (zero) percent). Overachievement of set targets is not paid additionally.

## 5. REMUNERATION STRUCTURE AND MAIN PRINCIPLES

5.1. The following overview summarises the remuneration elements that are used in the Group as well as their performance criteria and parameters. All remuneration elements are paid for different and not overlapping targets:

Type	Element	Description	Performance criteria and parameters	Eligibility		
				Key Executives	Managers with Strategic Responsibilities	Other Employees
Fixed Remuneration	Fixed base salary (FBS)	<ul style="list-style-type: none"> <li>- Determined in the employment contract</li> <li>- Paid on a monthly basis in cash</li> <li>- Determined based on the job level, role and position of an individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc.</li> <li>- As a general rule, the FBS should not exceed the maximum level of the salary range</li> <li>- An annual review of the FBS within the Group is not guaranteed.</li> </ul>	-	+	+	+
Variable Remuneration	STI	<ul style="list-style-type: none"> <li>- Performance-based</li> <li>- Set on annual / semi-annual / quarterly basis and paid in cash</li> </ul>	- For meeting specific and measurable targets set for an individual position / team / Company / function / Group	+	+	+
	LTI	<ul style="list-style-type: none"> <li>- Performance-based</li> <li>- Rolling four-year performance period to serve as a long-term incentive for sustainable business performance</li> <li>- Paid in cash after the end of each strategic period of 4 years (on a rolling basis)</li> </ul>	<ul style="list-style-type: none"> <li>- For meeting specific and measurable four-year strategic period objectives</li> <li>- LTI is paid only after the entire strategic period ends</li> </ul>	+	+	-
		<ul style="list-style-type: none"> <li>- Paid for the development of strategic and/or critically important long-term projects and/or strategic objectives not shorter than 2 years</li> <li>- Paid in cash (lump sum) after the end of the project / strategic period upon achievement of targets</li> </ul>	- Criteria for and objectives of the implementation of long-term projects / objectives and targets shall be determined and approved by the Management Board of the Parent Company	-	+	-
Other rewards	Discretionary bonus	<ul style="list-style-type: none"> <li>- Provided at the initiative and discretion of the employer</li> <li>- Is not a guaranteed part of the remuneration package</li> <li>- Cannot exceed an Employee's 3 monthly salaries per annum</li> </ul>	- Paid for extraordinary results or for managing the Group's strategic initiatives, etc.	-	-	+

	<b>Expatriate's / attraction package</b>	<ul style="list-style-type: none"> <li>- Reimbursement of additional expenses related to the relocation of an Employee from one country to another due to their job functions</li> <li>- Can be used to attract talents from foreign countries</li> </ul>	-	+	+	+
	<b>Benefits</b>	<ul style="list-style-type: none"> <li>- Financial and non-financial measures</li> <li>- Designed to promote Employee motivation and loyalty</li> </ul>	- Detailed in the Group's internal rules or collective agreements	+	+	+
Other	<b>Severance payments</b>	<ul style="list-style-type: none"> <li>- Paid at the time of termination of the employment contract</li> </ul>	- Paid in accordance with the procedure established by the Labour Code, collective agreements or a relevant legal act of a foreign state	+	+	+
	<b>Non-compete compensation (if concluded)</b>	<ul style="list-style-type: none"> <li>- Set in the agreement</li> <li>- Usually paid after the termination of the employment contract</li> <li>- As a general rule, non-compete clause is activated at the discretion of the employer</li> </ul>	- Non-compete terms and conditions for the CEO and members of the Management Board of the Parent Company shall be determined by the SB	+	+	+

## 6. COMPOSITION OF VARIABLE REMUNERATION

### 6.1. Target size of Variable Remuneration:

		Key Executives	Managers with Strategic Responsibilities	Employees with Strategic Responsibilities	Other Employees
Amount of variable remuneration	STI	20%	20%	20%	10%
	LTI	40%	up to 30%	-	-

## 7. KEY EXECUTIVES

- 7.1. Once a year, the NRC and the SB shall review and approve the level of alignment of the FBS with the median of the respective market of the Management Board of the Parent Company. The remuneration of the Management Board will change based on the specific responsibilities and the nature of the functions performed and will be reviewed annually by the SB upon a proposal of the NRC. Off-cycle reviews and adjustments may be carried out on request and shall be subject to approval by the SB.
- 7.2. The Group aims to pay competitive remuneration for Key Executives, therefore, the SB and the NRC shall analyse their remuneration against peer group companies: what is paid for the largest companies in the local salary market, and the remuneration paid in the market by regional companies with comparable capitalisation, size, international scope and nature of business.
- 7.3. The Expatriate's / attraction package guidelines for Key Executives shall be set out by the SB.
- 7.4. The decision on the severance payment of Key Executives, if it is higher than provided in the Labour Code or relevant foreign legislation, shall be agreed by the SB. Criteria that should be assessed include Key Executives' performance, length of service in the Group, the significance of circumstances, commercial risks and potential damage to the Group and/or a Company arising from competition, etc. The amount of a severance payment cannot be higher for a Key Executive than his/her 12 (twelve) average monthly salaries.
- 7.5. All remuneration elements which are applied to Key Executives are provided in this Remuneration Policy.

## 8. DETERMINATION OF THE REMUNERATION OF THE MEMBERS OF THE COLLEGIAL BODIES OF THE PARENT COMPANY AND COMPANIES

### 8.1. Remuneration for activities in the Collegial Bodies of the Parent Company:

Position in a collegial body	Monthly remuneration, EUR (before taxes)
Independent chair of the Supervisory Board of the Parent Company	4,614
Independent member of the Supervisory Board of the Parent Company	3,466
Civil servant holding the position of a member of the Supervisory Board of the Parent Company	1,733
Chair of the Parent Company's Supervisory Board committees and the Audit Committee (not SB member)	2,208
Independent member of committees of the Parent Company	1,987

- 8.2. Remuneration for activities in the Collegial Bodies of Companies should comply with Lithuanian legal acts applicable to state-owned companies and has to comply with the principle 'higher pay for higher responsibility'.
- 8.3. The remuneration stated in Clause 8.1 shall be determined, at the time of the appointment of the Collegial Body, for the entire term of office of the Collegial Body except in the cases set out in Clause 8.4 of the Remuneration Policy and shall be applicable until the Remuneration Policy is changed by Parent Company's General Meeting of Shareholders. If individual members of a Collegial Body are elected prior to the expiry of the term of office of the existing Collegial Body, the same amount of remuneration shall be determined for them as for the members of the existing Collegial Body.
- 8.4. The remuneration of the members of the collegial bodies of the Parent Company, as set out in Clause 8.1 of the Remuneration Policy, shall be reviewed once during the entire term of office but not earlier than in the mid-term of a Collegial Body during the Annual General Meeting of Shareholders of the Parent Company. Increase is capped at the typical level of FBS increase awarded to other Employees within the Group.
- 8.5. Remuneration for activities in the Collegial Bodies of the Parent Company and Companies shall not depend on the performance results of the Parent Company or a Company.
- 8.6. The remuneration of the members of the Parent Company's SB for participation in the activities of the committees shall be included in their remuneration for the activities in the SB, and they shall not receive additional remuneration for the activities in the committees.
- 8.7. If a member of a Company's Collegial Body resigns or is removed from office or ceases to hold office on other grounds, no benefits or compensations shall be paid due to the termination of the contract for activities in the Collegial Body. In such cases, the member of the Parent Company's or a Company's Collegial Body must be paid remuneration for the time actually spent in the performance of the activities of the member of the Collegial Body.

## 9. FINAL PROVISIONS

- 9.1. The Remuneration Policy shall take effect from the moment of its approval and shall be approved and amended following the assessment of the general economic situation in the market, the Group's financial performance and changes in the legislation governing the payment of remuneration or shall be periodically reviewed by a decision by the Parent Company's General Meeting of Shareholders.
- 9.2. The provisions of the Remuneration Policy shall be applied taking into account the requirements of the Law on Companies of the Republic of Lithuania, the Labour Code of the Republic of Lithuania (Labour Code) or a relevant legal act of a foreign state, collective agreements as well as other legal acts.
- 9.3. When amending the Remuneration Policy, material changes to the Remuneration Policy must be described and explained. If the amended Remuneration Policy has already been discussed at the Parent Company's General Meeting of Shareholders, but it has not been approved – the arguments must be indicated in the decision of the Parent Company's General Meeting of Shareholders.
- 9.4. The Management Board of the Parent Company shall be responsible for the implementation of the Remuneration Policy.

## Annex 5: The updated Remuneration Policy of AB “Ignitis grupė” group companies (comparative version)

Title of the Normative Internal Legal Act	Remuneration Policy of AB “Ignitis grupė” group of companies
The title of the process	Human and Culture Management - Remuneration
Process owner (unit)	People and Culture
Approving company	AB “Ignitis grupė”
Body/position of the approving person	General Meeting of Shareholders of AB “Ignitis grupė”
Date of entry into force	<del>Effective from</del> <del>Approved by</del> the <del>adoption</del> <del>Resolution</del> of the <del>resolution of the Annual</del> General Meeting of Shareholders of AB “Ignitis grupė” <del>on 30 March 2023</del> (Updated by the Resolution of the Annual General Meeting of Shareholders of AB “Ignitis grupė” on [27 March 2024])

### REMUNERATION POLICY OF AB “IGNITIS GRUPĖ” GROUP OF COMPANIES

AB “Ignitis grupė” group of companies (the Group) applies a remuneration policy in order to maintain employee motivation and respond to shareholders’ expectations for sustainable, socially responsible development by creating a modern, international, competitive energy Group.

The remuneration policy aims to attract and retain competent, fast-learning, technologically advanced, globally minded and creative employees.

The Supervisory Board of AB “Ignitis grupė” is a collegial supervisory body elected by the General Meeting of Shareholders. For the effective performance of the Supervisory Board’s functions and responsibilities in the field of remuneration, the Supervisory Board has set up a Nomination and Remuneration Committee to assess and make proposals on the Group’s long-term remuneration policy, to monitor the compliance of the Group’s remuneration policy with international practice and recommendations of good governance practice and to make appropriate proposals for the improvement of the remuneration policy. The Supervisory Board and the Nomination and Remuneration Committee ensure the proper functioning of the system for the prevention of conflicts of interest when making decisions on the remuneration system.

#### 1. PURPOSE AND SCOPE OF APPLICATION

- 1.1. **Purpose:** to establish unanimously fair, clear and transparent principles of remuneration for the employees of AB “Ignitis grupė” group of companies and an employee remuneration system based on them.
- 1.2. **Scope of application:** applies to all Employees and all companies of AB “Ignitis grupė” group of companies.

#### 2. TERMS AND ABBREVIATIONS

##### Abbreviations

**Remuneration Policy** – remuneration policy of AB “Ignitis grupė” group of companies; this document.

**LTVLTI** – a long-term incentive, variable part of remuneration paid for achieving long-term objectives.

**STVSTI** – a short-term incentive, variable part of remuneration paid for the agreed and measurable short-term (usually annual) results based on the Employee’s performance evaluation.

##### Terms

**Parent Company** – AB “Ignitis grupė”.

**Employees with Strategic Responsibilities** – Employees who have strategic responsibilities and/or make a significant impact on the Group’s performance.

**Employee** – a person who has an employment relationship with the Parent Company or the Company, including all executives, unless otherwise specified in the Remuneration Policy.



<b>FBS</b> – fixed base salary.	<b>Group</b> – the Parent Company and its subsidiaries (including lower-tier subsidiaries as well as subsidiaries with their registered offices abroad) in which the Parent Company directly and/or indirectly holds the majority of the votes or may directly or indirectly exercise a decisive influence, as defined in Article 5 of the Law on Companies of the Republic of Lithuania.
<b>NRC</b> – Nomination and Remuneration Committee of the Supervisory Board of the Parent Company.	<b>Company</b> – a Group company, except for the Parent Company.
<b>SB</b> – Supervisory Board of the Parent Company.	<b>Collegial Body</b> – a collegial management body – the Management Board/ the Board, and/or a collegial supervisory body – the Supervisory Board, as specified in the Parent Company’s and/or Companies’ founding documents.
<del><b>PMB</b> – payment for the activities of the Management Board of the Parent Company.</del>	<b>Key Executives</b> – Employees holding the position of members of the Parent Company’s <del>Executive Management</del> Board, as well as CEOs of AB “Energijos skirstymo operatorius”, UAB “Ignitis”, AB “Ignitis gamyba” and UAB “Ignitis renewables”.
	<b>Variable Remuneration</b> – a part of remuneration that is paid for the achievement of agreed and measurable short-term and long-term results. <del>For the sake of clarity, Variable Remuneration is designed to reward Employees’ performance, as provided for in Article 142(1)(2) of the Labour Code of Republic of Lithuania.</del>
	<b>Managers with Strategic Responsibilities</b> – managers who have <del>the Group’s long-term (longer than one year) strategic and/or critically important objectives in renewable energy projects and/or activities. The list of Managers with Strategic Responsibilities within the Group shall be approved by the decision of the Management Board of the Parent Company.</del>
	<del><b>Total Remuneration</b> – total monetary remuneration, which consists of the fixed remuneration and Variable Remuneration.</del>

### 3. PRINCIPLES OF THE REMUNERATION POLICY

#### 3.1. Key principles of the Remuneration Policy:

<b>Internal fairness</b>	The Group ensures that similar or same value-creating work is remunerated equally throughout the organisation. The remuneration system is based on the Group’s job structure, which consists of jobs divided into job levels.
<b>External competitiveness</b>	Employees are entitled to receive a competitive salary based on their function, responsibilities, market conditions and geography.
<b>Clarity</b>	The Group aims that all Employees are informed about how their performance, competences and qualification impact their remuneration package as well as on what basis it is set.
<b>Transparency</b>	The Group believes in transparency and shares its objective remuneration criteria with its employees. The job structure and salary ranges are posted on the Parent Company’s intranet and are available to all Employees.
<b>Equal opportunities and non-discrimination</b>	Decisions on remuneration must be made in accordance with the provisions set out in the Remuneration Policy, its implementing legislation and the Policy of Equal Opportunities and Diversity in force in the Group.

3.2. The Group aims to create a ~~pay for performance~~ **high performing** organisational culture that achieves its objectives, therefore, the remuneration system aims to promote ~~pay for performance~~ **high performing**.

behaviours related to the achievement of the objectives set for the ~~Parent Company and a Company Group~~, teams, and Employees.

3.3. The Remuneration Policy shall be detailed in the internal legal acts of the Group and/or the Parent Company and/or a Company, which must not contradict this Remuneration Policy.

~~3.4.1.1. The provisions of the Remuneration Policy shall be applied taking into account the requirements of the Law on Companies of the Republic of Lithuania, the Labour Code of the Republic of Lithuania (Labour Code) or a relevant legal act of a foreign state, collective agreements as well as other legal acts.~~

~~3.5.3.4. The Group aims to pay all Employees a competitive salary of a respective market, including the market of a specific function. Due to market differences and dynamics, a different policy line and/or compensation element or its size can be introduced for a specific function or business line.~~

~~3.5. The Management Board of the Parent Company may introduce specialised remuneration systems for individual groups of Employees, positions or Employees employed in a foreign country that require a different system for determining objectives as well as determining and/or awarding STI and LTI in order to achieve specific and critically important performance results according to market or business needs. Key Executives, CEOs of Companies and members of executive committees of Companies (if any) are excluded from these specialised systems. The elements of remuneration and the specifics of their application to Key Executives are specified in Section 7 of this Remuneration Policy.~~

3.6. The deferral of Variable Remuneration is not used in the Group. The Parent Company and Companies (in the case of the members of the Management Board of the Parent Company – with the approval of the SB) have the possibility not to pay, reduce or require the return of ~~STVSTI~~ or tranches of the ~~LTVLTI~~ in part or in full from an Employee who commits unlawful acts whilst achieving set ~~targets/objectives~~ or in cases such as the restatement of accounts or the submission of erroneous data (malus and claw-back). ~~The “good leaver” and “bad leaver” conditions are applied to the payment of Variable Remuneration. The Supervisory Board shall set the conditions for the Parent Company’s Management Board, and the Management Board of the Parent Company shall set the conditions for other Employees.~~

3.7. The provisions of the Remuneration Policy shall be interpreted and applied in such a way that the SB has discretion to make and/or control substantive decisions related to the remuneration of the Management Board of the Parent Company. When deciding on matters related to the remuneration of the Management Board of the Parent Company, the SB shall be guided by the Remuneration Policy and shall take into account the opinion of the NRC ~~and the competence of the Parent Company’s supervisory and/or management bodies as set out in the legislation of the Republic of Lithuania and the Parent Company’s Articles of Association.~~

3.8. This Remuneration Policy shall be published on the Parent Company’s website.

#### 4. OBJECTIVES

4.1. Short-term annual objectives for Employees, except those specified in paragraph 4.2, are set on the basis of a mixture of objectives – the Group’s, the Group’s/function’s, a Company’s and team/individual objectives. Based on market practices and/or the competitiveness of specific fields, semi-annual or quarterly objectives may be set for specific Employee groups.

4.2. The short-term objectives of the CEO and members of the Management Board of the Parent Company are the same as the annual objectives of the ~~Parent Company Group~~ approved by the SB. Short-term ~~objectives usually support achievement of LTI objectives.~~ STI objectives are public and may be accessed on the Group’s ~~website (link)~~ and usually cover such areas as:

~~Long~~The Group’s long-term objectives for Key Executives are set ~~by the decision of the SB~~ based on the Parent Company’s ~~strategic plan- (link)~~. Long-term objectives ~~cannot be~~ ~~not~~ the same as short-term objectives ~~and~~. ~~Overlapping should not be considered if they are focused on distinct time horizons or targets.~~ LTI objectives usually cover such areas as:

~~Types of Short-term performance~~ objectives (example)

~~Types of Long-term performance~~ objectives (example)

Financial targets

TSR (total shareholder return) performance

Strategic projects or their key milestones

~~Return~~Financial targets and/or return on capital employed

Sustainability targets

Growing business ~~and/or increasing efficiency~~

~~Service quality (if applicable)~~

~~Increasing efficiency~~Sustainability targets

~~Net zero emissions~~

Detailed information on STI and LTI objectives, targets and weightings is disclosed in the remuneration report and on the Parent Company's website on annual basis.

4.4. The achievement of the set short- and long-term objectives is/are assessed in terms of the percentage of their achievement. A minimum threshold for the achievement of a specific target is 70%, and therefore if the target is achieved at a lower percentage, the target shall be assessed as not achieved (0 (zero) percent). Overachievement of set targets is not paid additionally.

## 5. REMUNERATION STRUCTURE AND MAIN PRINCIPLES

5.1. The following overview summarises the remuneration elements that are used in the Group as well as their performance criteria and parameters. All remuneration elements are paid for different and not overlapping targets:

Type	Element	Description	Performance criteria and parameters	Eligibility		
				Employees Key Executives	Managers with Strategic Responsibilities	Key Executives Other
Fixed base salary (FBS) Basic salary		<ul style="list-style-type: none"> <li>- Determined in the employment contract</li> <li>- Paid on a monthly basis in cash</li> <li>- Determined based on the job level, role and position of an individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc.</li> <li>- As a general rule, the FBS should not exceed the maximum level of the salary range</li> <li>- <u>An annual review of the FBS within the Group is not guaranteed.</u></li> </ul>	-	+	+	+
	PMB (if any)	<ul style="list-style-type: none"> <li>- <u>Paid for the activities, which include the oversight of the activities of the Group's Companies, of the Management Board of the Parent Company</u></li> <li>- <u>Paid on a monthly basis in cash</u></li> <li>- <u>The level of PMB shall be determined as set out in paragraph 8 of the Remuneration Policy</u></li> </ul>	-	-	-	±
	STVSTI	<ul style="list-style-type: none"> <li>- Performance-based</li> <li>- Set on annual / <u>quarterly</u> / semi-annual / <u>quarterly</u> basis <u>and paid in cash</u></li> </ul>	- For meeting specific and measurable targets <u>or indicators</u> -set for	+	+	+

Variable remuneration			an individual position / team / Company / function / Group			
	<b>LTVLTI</b>	<ul style="list-style-type: none"> <li>- Performance-based</li> <li>- Rolling four-year performance period to serve as a long-term incentive for sustainable business performance</li> <li>- Paid <b>in cash</b> after the end of each strategic period of 4 years <b>(on a rolling basis)</b></li> </ul>	<ul style="list-style-type: none"> <li>- For meeting specific and measurable four-year strategic period <b>targets/objectives (not overlapping with STV targets)</b></li> <li>- <b>LTVLTI</b> is paid only after the entire strategic period ends</li> </ul>	<b>±</b>	<b>±</b>	<b>±</b>
		<ul style="list-style-type: none"> <li>- Paid for the development of strategic <b>and/or critically important</b> long-term projects and/or <b>activities carried out</b> strategic objectives not shorter than 2 years</li> <li>- Paid <b>in cash (lump sum)</b> after the <b>green generation segment end of the project / strategic period upon achievement of targets</b></li> </ul>	<ul style="list-style-type: none"> <li>- Criteria for and objectives of the implementation of long-term projects <b>in the green generation segment/ objectives and targets</b> shall be determined and approved by the Management Board of the Parent Company-</li> </ul>	-	+	-
Other rewards	<b>Additional financial incentives</b> <b>Discretionary bonus</b>	<ul style="list-style-type: none"> <li>- Provided at the initiative and discretion of the employer</li> <li>- <b>Are</b> not a guaranteed part of the remuneration package</li> <li>- <b>Cannot exceed an Employee's 3 monthly salaries per annum</b></li> </ul>	<ul style="list-style-type: none"> <li>- Paid for extraordinary results or for managing the Group's strategic initiatives, etc.</li> </ul>	<b>±</b>	-	<b>±</b>
	Expatriate's / attraction package	<ul style="list-style-type: none"> <li>- Reimbursement of additional expenses related to the relocation of an Employee from one country to another due to <b>his/her/their</b> job functions</li> <li>- Can be used to attract talents from foreign countries</li> </ul>	-	+	+	+
	Benefits	<ul style="list-style-type: none"> <li>- Financial and non-financial measures</li> <li>- Designed to promote Employee motivation and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>- Detailed in the Group's internal rules or collective agreements</li> </ul>	+	+	+

Other	Severance payments	- Paid at the time of termination of the employment contract	- Paid in accordance with the procedure established by the Labour Code, collective agreements or a relevant legal act of a foreign state	+	+	+
	Non-compete compensation (if concluded)	- Set in the agreement - Usually paid after the termination of the employment contract - <del>Non</del> As a general rule, non-compete clause is activated at the discretion of the employer.	<del>– Non-compete terms and conditions for the CEO and members of the Management Board of the Parent Company shall be determined by the SB</del>	+	+	+

## 6. COMPOSITION OF ~~TARGET~~ VARIABLE REMUNERATION

### 6.1. Target size of Variable Remuneration:

		Key Executives	Managers with Strategic Responsibilities	Employees with Strategic Responsibilities	Other Employees
Target size Amount of Variable Remuneration	STV, % of <del>FBSSTI</del>	<del>up to</del> 20%	<del>up to</del> 20%	<del>up to</del> 20%	<del>up to</del> 10%
	LTV, % of <del>FBSLTI</del>	<del>up to</del> 40%	up to 30%	-	-

## 7. KEY EXECUTIVES

7.1. Once a year, the NRC and the SB shall review and approve the level of alignment of the FBS with the median of the respective market of the Management Board of the Parent Company. The remuneration of the Management Board will change based on the specific responsibilities and the nature of the functions performed and will be reviewed annually by the SB upon a proposal of the NRC. Off-cycle reviews and adjustments may be carried out on request and shall be subject to approval by the SB.

7.2. The Group aims to pay competitive remuneration for Key Executives; therefore, the SB and the NRC shall ~~annually~~ analyse ~~the their~~ remuneration ~~against peer group companies: what is~~ paid for the largest companies in the local salary market, and the remuneration paid in the market by regional companies with comparable capitalisation, size, international scope and nature of business.

7.3. The Expatriate's ~~LL~~ attraction package ~~and~~ guidelines for Key Executives shall be set out by the SB.

~~7.4.~~ The decision on the severance payment ~~and on the amount of the non-compete compensation (if any)~~ of Key Executives, if it is higher than provided in the Labour Code or relevant foreign legislation, shall be agreed by the SB. Criteria that should be assessed include Key Executives' performance, length of service in the Group, the significance of circumstances, commercial risks and potential damage to the Group and/or a Company arising from competition, etc.

~~7.5-7.4.~~ The amount of a severance payment cannot be higher for a Key Executive than his/her 12 (twelve) average monthly salaries.

~~7.5.~~ All remuneration elements which are applied to Key Executives are provided in this Remuneration Policy.

## 8. DETERMINATION OF THE REMUNERATION OF THE MEMBERS OF THE COLLEGIAL BODIES OF THE PARENT COMPANY AND COMPANIES

### 8.1. Remuneration for activities in the Collegial Bodies of the Parent Company:

Position in a collegial body	Monthly remuneration, EUR (before taxes)
Independent chair of the Supervisory Board of the Parent Company	4,180614
Independent member of the Supervisory Board of the Parent Company	3,140466
Civil servant holding the position of a member of the Supervisory Board of the Parent Company	1,570733
Chair of the Parent Company's Supervisory Board committees and the Audit Committee (not SB member)	2,000208
Independent member of committees of the Parent Company	1,800987
<del>Chair of the Management Board of the Parent Company</del>	<del>2,600</del>
<del>Member of the Management Board of the Parent Company</del>	<del>1,800</del>

8.2. Remuneration for activities in the Collegial Bodies of Companies should comply with Lithuanian legal acts applicable to state-owned companies and has to comply with the principle 'higher pay for higher responsibility'.

8.3. The remuneration stated in Clause 8.1 shall be determined, at the time of the appointment of the Collegial Body, for the entire term of office of the Collegial Body except in the cases set out in Clause 8.4 of the Remuneration Policy and shall be applicable until the Remuneration Policy is changed by Parent Company's General Meeting of Shareholders. If individual members of a Collegial Body are elected prior to the expiry of the term of office of the existing Collegial Body, the same amount of remuneration shall be determined for them as for the members of the existing Collegial Body.

8.3.8.4. The remuneration of the members of the collegial bodies of the Parent Company, as set out in Clause 8.1 of the Remuneration Policy, shall be reviewed once during the entire term of office but not earlier than in the mid-term of a Collegial Body during the Annual General Meeting of Shareholders of the Parent Company. Increase is capped at the typical level of FBS increase awarded to other Employees within the Group.

8.4.8.5. Remuneration for activities in the Collegial Bodies of the Parent Company and Companies shall not depend on the performance results of the Parent Company or a Company.

8.5.8.6. The remuneration of the members of the Parent Company's SB for participation in the activities of the committees shall be included in their remuneration for the activities in the SB, and they shall not receive additional remuneration for the activities in the committees.

8.6.8.7. If a member of a Company's Collegial Body resigns or is removed from office or ceases to hold office on other grounds, no benefits or compensations shall be paid due to the termination of the contract for activities in the Collegial Body. In such cases, the member of the Parent Company's or a Company's Collegial Body must be paid remuneration for the time actually spent in the performance of the activities of the member of the Collegial Body.

## 9. FINAL PROVISIONS

9.1. The Remuneration Policy shall take effect from the moment of its approval and shall be approved and amended following the assessment of the general economic situation in the market, the Group's financial performance and changes in the legislation governing the payment of remuneration or shall be periodically reviewed by a decision by the Parent Company's General Meeting of Shareholders.

9.2. The provisions of the Remuneration Policy shall be applied taking into account the requirements of the Law on Companies of the Republic of Lithuania, the Labour Code of the Republic of Lithuania (Labour Code) or a relevant legal act of a foreign state, collective agreements as well as other legal acts.

9.2.9.3. When amending the Remuneration Policy, material changes to the Remuneration Policy must be described and explained. If the amended Remuneration Policy has already been discussed at the Parent Company's General Meeting of Shareholders, but it has not been approved – the arguments must be indicated in the decision of the Parent Company's General Meeting of Shareholders.

9.3.9.4. The Management Board of the Parent Company shall be responsible for the implementation of the Remuneration Policy.

## Annex 6: Regarding the remuneration of the members of the Supervisory Board and the members of the Audit Committee of AB “Ignitis grupė”

Under paragraph 8.3 of the Remuneration Policy, which is currently in force, the remuneration of the members of the Company’s collegial bodies is determined, at the time of the appointment of the collegial body, for the entire term of office of the collegial body and is applicable until the Remuneration Policy is changed by the General Meeting.

Based on market data and in order to align the legitimate expectations of the members of the Company’s collegial bodies who are appointed for a four-year term, an updated Remuneration Policy is submitted to the General Meeting for approval, introducing a rule that the remuneration of the members of the Company’s collegial bodies, which is determined for the entire term of office, may be reviewed in the middle of the term of office of a collegial body. During this review, the average percentage used for the annual review of the fixed base salary of Group employees shall be applied. In this view, paragraph 8.1 of the updated Remuneration Policy determines the following amount of remuneration for the members of the Company’s collegial bodies:

Position in a collegial body	Monthly remuneration, EUR (before taxes)
Independent Chair of the Supervisory Board of the Company	4,614
Independent member of the Supervisory Board of the Company	3,466
Civil servant holding the position of a member of the Supervisory Board of the Company	1,733
Chair of the Company’s Supervisory Board committees and the Audit Committee (not SB member)	2,208
Independent member of committees of the Company	1,987

In accordance with Articles 19.23, 19.27 and 27 of the Company’s Articles of Association and paragraphs 8.1, 8.3 and 8.4 of the updated Remuneration Policy, the monthly amount of remuneration of the members of the Company’s Supervisory Board (independent members and civil servants holding the position of a member of the Supervisory Board) and members of the Audit Committee is determined by a resolution of the Company’s General Meeting of Shareholders.