



**AB ŽEMAITIJOS PIENAS
REMUNERATION REPORT FOR 2021**

GENERAL INFORMATION ON THE REMUNERATION REPORT

The Remuneration Report of ŽEMAITIJOS PIENAS, AB, has been prepared for reporting financial year 2021, which coincides with the calendar year. The Remuneration Report (hereinafter – Report) has been prepared in accordance with the Law on Financial Statements of Entities of the Republic of Lithuania, the Remuneration Policy of the Chairman and other members of the Board and the Supervisory Council of the Company ŽEMAITIJOS PIENAS, AB (hereinafter – Remuneration Policy) and other legal acts.

On 9 April 2020 the General Meeting of Shareholders approved the Remuneration Policy of the Chairman and other members of the Board and also members of the Supervisory Council of ŽEMAITIJOS PIENAS, AB. This Remuneration Policy applies to the General manager and members of the management bodies of the Company insofar as it relates to the payment of monetary remuneration for activities in the management and / or supervisory bodies of the Company. The Remuneration Report shall include information on remuneration of each member of the management and supervisory bodies, information on other (un)received benefits, other data.

INFORMATION ON THE REMUNERATION RECEIVED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The remuneration accrued and paid to the General manager (or CEO) of the Company during 2021, which was determined by the Board, did not exceed the amount provided for in the Remuneration Policy (Paragraph 4.1 of the Remuneration Policy). General manager did not receive any remuneration from the companies referred to the group of companies, as defined in the Law on Consolidated Financial Statements of Companies of the Republic of Lithuania. During 2021, General manager of the Company did not receive any additional salary provided for in the Paragraph 4.2. of the Remuneration Policy. Incentive benefits were paid to the General manager of the company, as it is provided for in paragraph 4.6 of the Remuneration Policy. The salary for the General manager was paid in accordance with the procedure, scope and terms provided for in the Employment Contract. The General manager did not receive any other property benefits during 2021, including the award of shares or other transactions in his favor of and in his interests.

According to the Remuneration Policy approved by the General Meeting of Shareholders of the Company, the permanent and additional remuneration is paid only to independent members of the management bodies and the Supervisory Council, bonuses approved by the General Meeting of Shareholders, - to all members of the management bodies. According to the Remuneration Policy, the members of the management bodies who do not have an employment or other relationship with the Company and / or its subsidiaries are considered independent members of the management bodies.

The Company has 3 (three) independent members of the Supervisory Council. During the reporting period (2021), the Company (Issuer) accrued EUR 27 217 to independent members of the Supervisory Council under activity agreements, on average EUR 9 072 per year for one independent member of the Supervisory Council. Members of Supervisor Council did not receive any payments from subsidiary or other companies that are related to ŽEMAITIJOS PIENAS, AB.

All members of the Board of the Company are employees of the Company and during 2021 they were not paid any fixed or additional remunerations for their work in the Board of the Company. Their remuneration was received only that was based on the employment. The average monthly salaries by employee groups are presented on page Annual Report.

Remuneration paid to the members of the management bodies and Supervisory Board would be recovered (refunded) in accordance with the procedure established by legal acts, upon certain grounds and conditions. If the General manager of the Company or any member of the Board or Supervisory Council resigns, expires his membership or is removed from office, no benefits are paid, but remuneration is paid in proportion to the time spent in the office (time of his membership).

No bonuses were paid to the member of the Board and / or Supervisory Council of the Company.

During the reporting period (2021), no guarantees or sureties were given to the members of the Board, Supervisory Board and the General manager of the Company. No assets or other property rights were transferred, no other benefits were received from the Company.

Members of the Board and Supervisory Council, General manager and members of the Audit Committee have no significant material obligations to the Company (Issuer), just as the Company (Issuer) has no obligations to these persons.

Guarantees and sureties and / or other measures to secure the fulfilment of the obligations of the General manager, members of the Board and Supervisory Council were not granted on behalf of the Issuer during 2021. The Issuer did not grant loans and Company shares to any of these persons.

The remuneration paid to the General manager of the Company, members of the Board and the Supervisory Council in 2021 complied with the principles, grounds and conditions approved in the Remuneration Policy.

FINAL PROVISIONS OF THE REMUNERATION REPORT

The Report approved by the Board of the Company is submitted to the ordinary General Meeting of Shareholders, which decides whether to approve the Remuneration Report or not. Such (non) approval does not release the Board from the responsibility for the decision taken.

The Remuneration Report for 2021 is an integral part of the Consolidated Annual Report and is published on the website of the Company www.zpienas.lt/en and www.nasdaqomxbaltic.com in accordance with the procedure established by legal acts.