



**AB “ŽEMAITIJOS PIENAS”
REMUNERATION REPORT FOR 2020**

GENERAL INFORMATION ON THE REMUNERATION REPORT

The Remuneration Report of AB “Žemaitijos pienas” has been prepared for reporting financial year 2020, which coincides with the calendar year. The Remuneration Report (hereinafter referred to as the Report) has been prepared in accordance with the Law on Financial Statements of Entities of the Republic of Lithuania, the *Remuneration Policy of the Head, members of the Board and the Supervisory Board of the Public Limited Liability Company “Žemaitijos Pienas”* (hereinafter referred to as the Remuneration Policy) and other legal acts.

On 9 April 2020 the General Meeting of Shareholders approved the Remuneration Policy of the Head, members of the Board and members of the Supervisory Board of AB “Žemaitijos Pienas”. This Remuneration Policy applies to the General Director and members of the 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 Head of the Company during 2020, which was determined by the Board, did not exceed the amount provided for in the Remuneration Policy (Item 4.2). The Head of the Company - the General Director - 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 2020, the head of the company did not receive the additional salary provided for in the Remuneration Policy. The salary of the Head of the Company was paid in accordance with the procedure, scope and terms provided for in the Employment Contract, the General Director did not receive other property benefits during 2020, including the award of shares or other transactions in favour of and in the interests of the Head.

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 Board, 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 2 (two) independent members of the Supervisory Board. During the reporting period (2020), the Company (Issuer) accrued EUR 20.353 to independent members of the Supervisory Board under activity agreements, on average EUR 10.177 per one independent member of the Supervisory Board per year, the members of the Supervisory Board did not receive payments from the subsidiary or other companies related to AB “Žemaitijos pienas”.

All members of the Board of the Company are employed under Employment Contracts and during 2020 they were not paid any fixed or additional remuneration for their work in the Board, their remuneration was received only based on employment. In 2020 the salaries of the members of the Board working under Employment Contracts were calculated with taxes in the amount of EUR 519.534. Average monthly salaries by employee groups are presented on page of the Management Report referred to the 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 Head of the Company, a member of the Board or Supervisory Board resigns, expires or is removed from office, no benefits are paid, but remuneration is paid in proportion to the time spent in the office.

No bonuses were paid to the members of the Board and Supervisory Board of the Company.

During the reporting period (2020), no guarantees or sureties were given to the members of the Board, Supervisory Board and the Head 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 Board, the General Director of the Company 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 Head of the Company, members of the management bodies and Supervisory Board were not granted on behalf of the Issuer during 2020, the Issuer did not grant loans and Company shares to these persons.

The remuneration paid to the Head of AB “Žemaitijos pienas”, members of the Board and the Supervisory Board in 2020 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 2020 is an integral part of the Consolidated Annual Report and is published on the website of the Company <http://www.zpienas.lt/lt> and www.nasdaqomxbaltic.com in accordance with the procedure established by legal acts.