

APPROVED
General Meeting of Shareholders
2020 No.

**REMUNERATION POLICY OF COLLEGIATE BODIES AND
MANAGERS OF AB “LINAS”**

1. General part

1.1. AB Linas, legal entity code (147689083), (hereinafter - the Company) the remuneration policy of collegial bodies and managers (hereinafter - the Policy) establishes the procedure for determining the remuneration of the Company's directors and managers, collegial bodies, i.e. the forms of activity, the basis of appointment and the procedure of payment of the members of the Supervisory Board and the Board (hereinafter - the members of the Bodies), as well as regulate other issues related to the payment of remuneration for the activities of the Collegial Bodies.

1.2. The policy is based on the implementation of the Company's strategic goals and the achievement of the desired performance results and ensuring the efficiency of the Company's operations.

1.3. The purpose of the policy is to establish the correct principles of the remuneration of the Company's director and managers and the remuneration of the members of the Bodies, to establish clear, transparent criteria for their determination in line with the Company's strategy and long-term interests. Also, to attract and retain useful professionals from different fields who can contribute to the improvement of the Company's performance and implementation of the mission, vision, values and goals, and to rationally and efficiently manage the Company's management expenses.

1.4. This Policy applies to the Company's director, managers and members of the Bodies insofar as the relations related to the payment of monetary remuneration for activities in the Company's management and / or supervisory bodies are not imperatively regulated by the applicable laws and / or other legal acts and / or shareholders' decisions.

1.5. The Policy, its amendments, supplements and / or annexes are approved by the General Meeting of Shareholders of the Company (hereinafter - the Meeting).

1.6. The policy is reviewed every 3 years, except for cases when due to changes in objective economic and / or social factors (situation in the labour market, the country's average salary level, the Company's financial position, etc.) or the laws and / or other legal acts of the Republic of Lithuania earlier. Changes and / or additions to the Policy have the right to be initiated by the Company's Director, the Board, the Supervisory Board and one or more shareholders of the Company, who own at least 10 (ten) per cent of the Company's shares.

1.7. The Director shall acquaint the managers of the Company and the members of the Bodies with the Policy, its amendments and / or additions by signing or sending it by e-mail to the e-mail addresses indicated by the members of the Bodies. When information is served electronically, the information sent by e-mail to the members of the Bodies shall be deemed to have been served on the next working day after the day of its sending.

2. Principles of remuneration determination

2.1. The head of the company, the monetary remuneration of the managers and organic members, taking into account the determination of the conditions of the general management and supervisory bodies, the management of the following principles:

- fairness - the amount of monetary remuneration set for individual members of the Bodies depends on the scope of the functions performed by the members of the Bodies, the impact on the Company's performance, as well as the reasonable need of the Company for the qualification or competence of a particular member of the Bodies;
- non-discrimination - equal remuneration is paid to the members of the Bodies for the same activities in the Company's management and supervisory bodies;
- legitimate expectations - remuneration ensures the remuneration of the Company's performance results achieved by taking reasonable risks;

- legality - the remuneration complies with the requirements of the laws and other legal acts of the Republic of Lithuania;
- proportionality - the remuneration corresponds to the financial and non-financial performance of the Company;
- binding nature of the decisions of the Meeting - only the Meeting has the right to make decisions related to the payment of remuneration for the activities of the members of the Bodies.

3. Remuneration of the company's director and managers

3.1. The remuneration paid to the director and executives of the Company consists of: the basic remuneration and additional remuneration in accordance with the motivational provisions approved in the collective agreement and additional financial benefits.

3.2. Remuneration of the director of the company:

3.2.1 The amount of the basic and additional remuneration of the Director of the Company shall be determined by the Board of the Company, which shall not exceed the budget of EUR 80,000 (eighty thousand, 00) of the annual basic remuneration, unless the Meeting has approved another maximum amount of this budget. The amount of the basic salary of the director of the Company shall be formalized in writing in the employment contract or its amendments by providing the exact amount of the monthly salary to be paid in euros before tax.

3.2.2 The amount of additional remuneration paid to the Director of the Company directly depends on the financial and non-financial performance of the Company, is approved in the collective agreement and is calculated based on the methodology of the theory of restrictions. The amount allocated to the budget of additional salaries may not exceed 80,000 (eighty thousand, 00) Eur per calendar year, unless the Meeting has approved another maximum amount of this budget.

3.3. Remuneration of the company's managers:

3.3.1 The amount of the basic and additional salary for the managers of the Company shall be determined by the Director of the Company, who shall not exceed the budget of the amount of the annual basic salary of EUR 50,000 (fifty thousand, 00). The amount of the basic salary of the Company's executives is formalized in writing in the employment contract or its amendments by providing the exact amount of the monthly salary to be paid in euros before taxes.

3.3.2 The amount of additional remuneration paid to the Company's managers directly depends on the Company's financial and non-financial performance, is approved in the collective agreement and is calculated based on the methodology of the theory of restrictions. The amount allocated to the additional salary budget may not exceed EUR 50,000 (fifty thousand, 00) per calendar year.

3.4. Additional salary for the Company's director and executives is calculated for the previous month and paid until the end of the next month.

3.5. The rules of increased remuneration do not apply to the director and managers of the company for overtime work, work on holidays or public holidays, as well as night work is not paid to him.

3.6. Additional incentive payments may be applied to the Company's director and managers, which are granted to the Company's employees in accordance with the motivational provisions approved in the Collective Agreement (expense compensation, one-time incentive payments, Christmas and Easter incentive payments, allowances, etc.) and other expected financial benefits.

3.7. Remuneration of the Company's director and managers is paid in accordance with the procedure and terms provided for in the Company's remuneration system and / or employment contract.

3.8. Information on the terms of remuneration of the Company's director and executives is confidential.

4. Procedure for determining and paying the remuneration of the members of the bodies

4.1. The remuneration of the members of the bodies consists of a fixed remuneration and bonuses. A fixed and additional remuneration may be paid only to independent members of the Bodies, bonuses approved at the Meeting - to all members of the Bodies. For the purposes of this Policy, independent members of the Bodies are considered to be members of the Bodies who do not have an employment relationship with the Company and / or its subsidiaries.

4.2. The amount of the fixed monthly remuneration paid to independent members of the Bodies, the appointment and termination of its payment shall be determined by the Meeting on a case-by-case basis, but the budget per member may not exceed EUR 36,000 (thirty six thousand) per calendar year unless otherwise approved by the Meeting.

4.3. The amount of the fixed monthly remuneration for activities in the Company's bodies may differ for independent members of the Bodies due to reasonable subjective factors (special work experience, market conditions, exceptional professional qualities, available qualifications, etc.), as well as up to 1.5 times higher remuneration. Compared to other members of the Body, but in all cases may not exceed the established budget.

4.4. A fixed monetary remuneration for activities in the Company's management and / or supervisory bodies for independent members of the Bodies are paid as compensation for the activities of an independent member of the Bodies (decision-making, preparation, participation and voting in etc.) and the costs incurred in carrying out such activities. Its amount or payment does not depend on the Company's performance.

4.5. An independent member of the Bodies has the right to refuse to pay a fixed part of the remuneration for activities in the management and / or supervisory bodies of the Company temporarily or for the entire term of office. A member of the Bodies who has been removed from office shall not have the right to demand payment of remuneration for activities in the management and / or supervisory bodies of the Company, which he has resigned in accordance with the procedure established in this item.

4.6. The fixed remuneration is not paid to the members of the Bodies for the months during which they do not participate in the meetings of the management or supervisory bodies of the Company, for no important reason.

4.7. The fixed remuneration for the activities of the independent members of the Bodies is paid once a month and is paid for the previous month not later than on the 10th (tenth) day of the next month. In cases when the remuneration or a part thereof due to the fault of the Company is paid late to the members of the Bodies, together with it the members of the Bodies shall be paid interest at the rate of 0.02 (two hundredths) interest for each day of delay days of delay.

4.8. The fixed remuneration of a member of the Bodies for activities in the management and / or supervisory bodies of the Company is not considered as salary, bonuses or other similar benefits that may be related to the subordination of the members of the Bodies or the profit (loss) of the Company.

4.9. Bonuses for the members of the Bodies may be granted and paid for the successful results of the Company's activities by the decision of the Meeting in accordance with the procedure and terms established in such decision. The share of the Company's profit allocated for the payment of bonuses may not exceed 1/3 of the Company's share of the profit intended for the payment of dividends.

4.10. The part of the Company's profit allocated for bonuses by the decision of the Meeting is distributed to the members of the Bodies by the resolution of the Supervisory Board, taking into

account the contribution of each member of the Body, in order to achieve the goals set by the Company.

4.11. Remuneration for the activities shall be paid to the members of the Bodies after deduction of taxes and transferred to the bank accounts specified by the members of the Bodies.

4.12. Information on the specific amount of fixed remuneration for activities in the Company's management and / or supervisory bodies is confidential.

5. Social security

5.1. Body members may be covered by voluntary health insurance. For the benefit of members of the bodies, pension contributions to the supplementary voluntary funded pension under the pension contributions may also be paid into third pillar pension funds.

5.2. The social security scheme applicable to the members of the bodies is selected and the sum insured or the periodic pension contribution is determined by a decision of the Meeting for a period of one calendar year.

6. Final provisions

6.1. The Policy, its amendments and / or supplements shall enter into force on the next business day from the day of their adoption, unless a different date of their entry into force is provided for by the decision of the Meeting.

6.2. Conflict of one or several provisions of the Policy with the laws and / or other legal acts of the Republic of Lithuania does not affect the validity of other provisions of the Policy. In this case, instead of the provisions of the Policy that contradict the laws and / or other legal acts of the Republic of Lithuania, the provision of the laws and / or other legal acts of the Republic of Lithuania regulating the specific relationship shall apply.

6.3. In case of discrepancies between the Policy and the decisions of other bodies of the Company or the provisions of the local legal acts of the Company, priority shall be given to the Policy, unless otherwise expressly stated in the Policy.