



Securities Commission of the Republic of Lithuania

7 July 2009 m.

CONFIRMATION OF RESPONSIBLE PERSONS

We, responsible persons, confirm that in consideration of 17 June 2009 Securities Commission of the Republic of Lithuania writing No. Nr.06-883-(11.03.-02) submitted remarks concerning Company's annual report for 2008, Company's 7 July 2009 appended annual report for 2008 is not reviewed by Company's auditors.

General director

Ceslovas Matulevicius

Financial director

Voldemaras Kallo



STUMBRAS AB

ANNUAL REPORT

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1. Reporting period covered by the Report

The annual report is prepared for the period from 1 January 2008 to 31 December 2008. All amounts in the annual report present situation as at 31 December 2008, unless otherwise stated. Further in this report Stumbras AB can be referred to as the Company or the Issuer.

2. Issuer and its contact data

Name of the Issuer	Stumbras AB
Legal organisational form	public company
Authorised share capital	LTL 40,000,000
Date and place of incorporation	4 October 1995, Kaunas City Council
Registration certificate No.	AB 95 – 70B
Company code	1320 82782
Company VAT code	LT3208278211
Company's register	Register of Legal Entities of the Republic of Lithuania
Official seat	K. Būgos g. 7, LT- 44355 Kaunas
Telephone	8 (37) 308800
Facsimile	8 (37) 308833
E-mail	stumbras@stumbras.lt
Website	www.stumbras.eu/lt

The Company has established no affiliates and agencies.

3. Nature of the Issuer's operations

The Company's principal activities represent production of and trade in ethyl alcohol and alcoholic drinks. The Company can pursue other activities stipulated in its Articles of Association.

4. Contracts with intermediaries of securities' public turnover

On 24 October 2003, the Company concluded a contract on the service of the Issuer with SEB Vilniaus Bankas AB (company code 112021238), Gedimino pr. 12, Vilnius, tel. (8 5) 268 2687, fax (8 5) 262 6043. In relationship with the Issuer the latter is represented by the Department of Financial Markets.

5. Information about trade in the Issuer's securities in the regulated markets

The Issuer's shares are listed on the Vilnius Stock Exchange. At the present moment, all 40,000,000 ordinary registered share with a par value of LTL 1 (one) comprising the Company's authorised share capital are listed on the Secondary List of the Vilnius Stock Exchange. ISIN code of securities: LT0000119430.

6. Objective description of the Company's position, performance and development, analysis, description of its exposure to key risks and contingencies

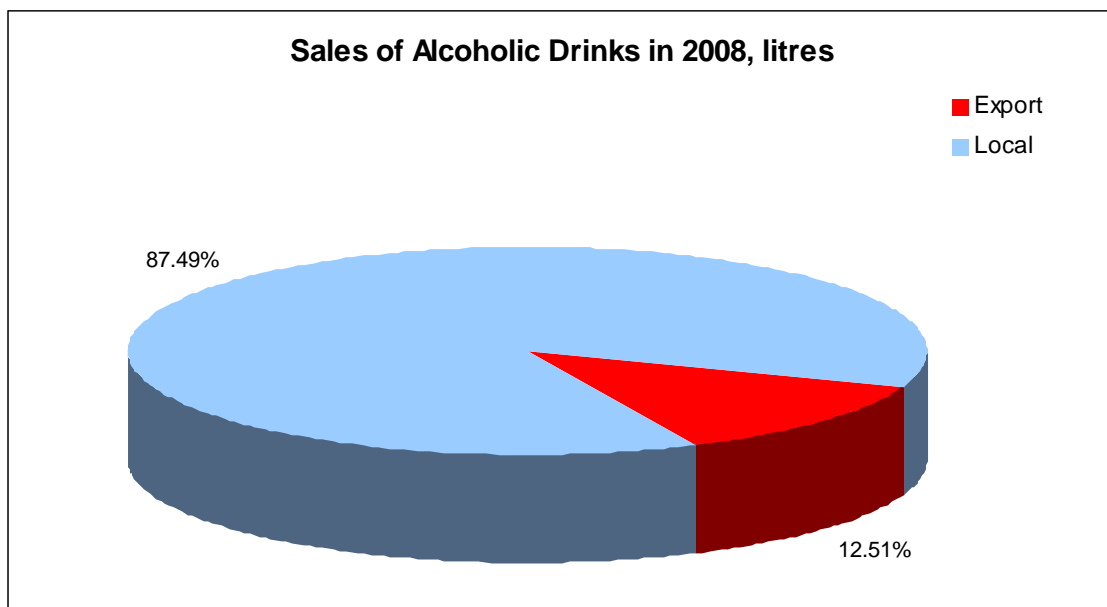
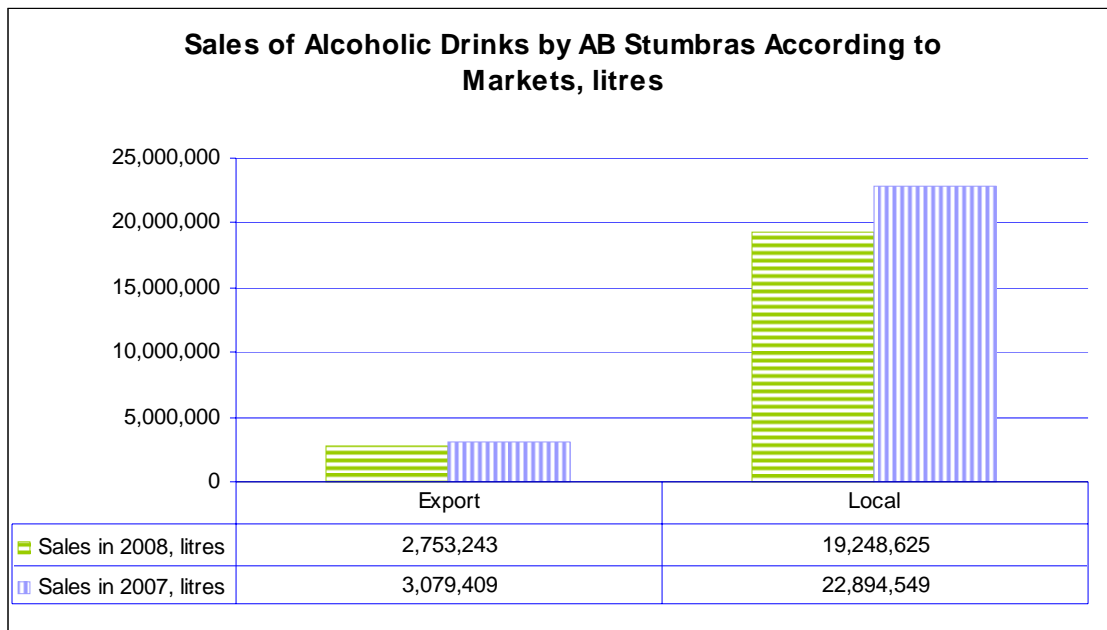
Main volumes of production over the period of the last 3 years are as follows (data is provided in decaliters (dal) and tons):

Name	Unit of measurement	2008	2007	2006
Alcohol products	thousand dal	2,167	2,602	1,809
Including alcoholic drinks	thousand dal	2,164	2,596	1,805

In 2008, new products were launched: vodka *SOS*, *Stopka*, spirit drink *Raudonos devynerios* (Red Nines), alcoholic cocktails „Ozone Premium Cocktail Cherry&Pear“ ir „Ozone Premium Cocktail Citrus&Mint“.

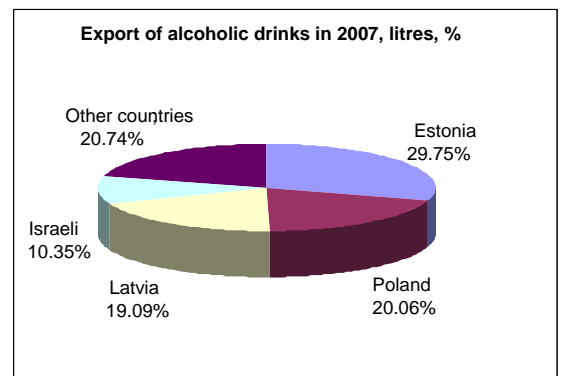
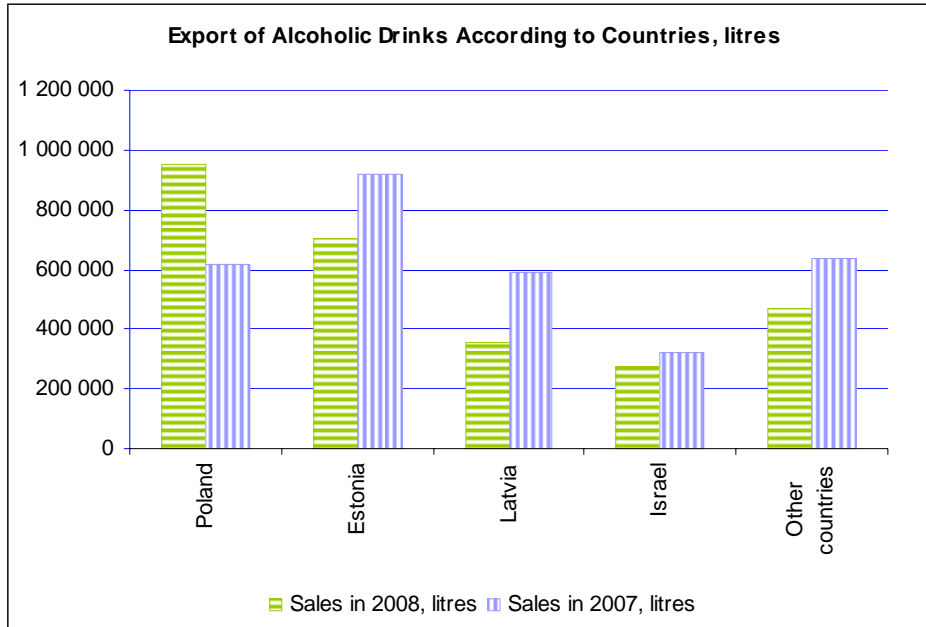
Rectified ethyl alcohol and alcoholic drinks are subject to excise duties established under legal acts of the Republic of Lithuania. The latter duties make a significant impact on changes in prices and volumes of sales of products produced by Stumbras AB. During a reporting period an excise duty of LTL 3,840 per hectoliter of pure ethyl alcohol was applicable to alcoholic drinks and ethyl alcohol (in accordance with Article 24 of the Law on Excise Duties of the Republic of Lithuania No. IX-569 (effective wording: 15 December 2007). Based on the amendment to the Law on Excise Duties of the Republic of Lithuania (the Law No. XI-79 as of 19 December 2008), starting from 1 January 2009 the excise duty applicable to alcoholic drinks and ethyl alcohol has been increased and currently amounts to LTL 4,416 per hectoliter of pure ethyl alcohol.

When implementing its obligations under earlier concluded long-term purchase-sale contracts and entering into new contracts, the Company seeks to ensure constant and scheduled sales of products.



In 2008, the Company's production was mainly exported to Estonia, Poland, Latvia and Israel which comprised 82.95 per cent of all exported products. Products were also traded in the US, Denmark, Spain, Great Britain, Peru, Mexico, Bangladesh, Singapore, Ireland, India, UAE, Australia, Vietnam, Greece, Czech Republic, Canada, France, Belarus, Norway, Russia.

Company's development in export market:



Company is doing market researches for Company's activities protection, researches are connected with Company's goods awareness and goods (particular brands) market parts evaluation in Lithuanian market. Researches are performed by Nielsien Lietuva AC, RAIT, Baltijos tyrimai UAB in accordance with Company's requests.

Risk factors related to the Issuer's operations:

Economic factors. The Company's principal activities represent production of and trade in strong alcoholic drinks. The Company's competitors in the market are other Lithuanian producers of strong alcoholic drinks and business entities importing and selling strong alcoholic drinks in the Republic of Lithuania. Performance of the Company is affected by the existing illegal production, sale of alcoholic drinks and contraband of alcoholic drinks products as well as in rectified ethyl alcohol. When assessing the Company's competitive features, it can be claimed that the potential of employees and technical-technological base serves as a ground for a successful operations of the Company in this market.

One of potential operational risks that the Company is exposed to represents circumstances when with a decreasing level of living standards of local residents, a part of consumers may start choosing other imported and cheaper drinks. Another operational risk may be linked with a growing power of commercial retail chains and their ability to affect sales of goods.

Political factors. Instability of laws and other regulatory legislation governing the Company's activities has a negative impact. Potential risk factors capable of making an indirect impact on the performance of the Company – excise duty increase, alcoholic drinks trading locations, trading time and advertising of alcoholic drinks additional restrictions and prohibitions.

Ecological factors. Expenses of environmental pollution incurred by the Company in 2008 amounted to LTL 3,073 thousand (2007: LTL 3,109 thousand). Costs related to the management of package waste released to the domestic market constitute the major part of these expenses.

Technical-technological factors. Equipment used by the Company is sufficient for the Company to carry out its operations. Possible damages are related to regular depreciation charges of equipment.

Factors of financial risk. Borrowings issued with variable interest rates expose the Company to cash flow interest rate risk.

As at 31 December 2008, Stumbras AB had the following borrowings (LTL thousand):

	2008
Long-term	
Bank borrowings	8,076
Short-term	
Bank borrowings	4,231
Total loans	12,307

The whole amount of bank borrowings relate to a syndicated loan received from two banks. This loan is to be repaid by 1 September 2011.

7. Analysis of financial and non-financial performance

In 2008, the Company's revenue from sales of goods (net of excise duty) and provision of services amounted to LTL 161,349 thousand, i.e. 4.3 per cent less as compared to 2007 when revenue from sales amounted to LTL 168,511 thousand.

The Company's profit before tax was LTL 33,785 thousand, i.e. 17.8 per cent less as compared to 2007. During a reporting period, the Company's taxes paid or payable to the budget in accordance with the terms prescribed under regulatory legislation totalled LTL 318,499 thousand comprising:

- excise duty – LTL 242,499 thousand;
- value-added tax – LTL 62,112 thousand;
- social security tax – LTL 4,318 thousand;
- income tax of individuals – LTL 2,781 thousand;
- corporate income tax – LTL 4,806 thousand (including deferred tax);
- other taxes – LTL 1,983 thousand.

The Company's key financial and economic performance indicators are as follows:

	2008	2007
Sales revenue, LTL thousand	161,349	168,511
Sales revenue in foreign markets, LTL thousand	15,243	15,318
Exports per total sales, per cent	9.4	9.1
Gross profit, LTL thousand	81,198	82,906
Gross profitability, per cent	50.3	49.2
Profit before tax, LTL thousand	33,785	41,085
Profitability before tax, per cent	20.9	24.4
Net profit, LTL thousand	28,979	32,767
Net profitability, per cent	18.0	19.4
EBITDA, LTL thousand	39,501	46,800
EBITDA profitability	24.5	27.8
Assets (at the end of the period), LTL thousand	134,377	157,281
including: non-current assets, LTL thousand	32,337	36,190
current assets, LTL thousand	102,040	121,091
Authorised share capital (at the end of the period), LTL thousand	40,000	40,000
Equity (at the end of the period), LTL thousand	73,428	76,449
Investments in modernisation of the Company, LTL thousand	4,958	16,575

In 2008 the Company was engaged in social and cultural activities: the main sponsor of Pažaislis Music Festival.

Information concerning Company's financial risk factors and their management internal regulatory system is submitted in Financial statements explanatory writing note 3 .

8. References to and additional explanations of data reported in the financial statements

All financial data presented in this Annual Report is calculated in accordance with the International Financial Reporting Standards and is approved by the assigned auditor under established procedure.

9. Information about own shares owned and acquired by the Company

The Company did not acquire own shares during the current and previous reporting periods.

10. Significant events subsequent to the end of the previous financial year

During a general meeting of shareholders of Stumbras AB as of 31 March 2008 dividends for 2007 were announced amounting to LTL 0.80 (EUR 0.23) per one ordinary registered share with the nominal value of LTL 1 (one) and making a total amount of LTL 32 million.

Regulations of the Audit Committee were approved under the decision of the Company's Board as of 10 December 2008.

Stumbras AB general shareholders' meeting held on 15 January 2009 elected PricewaterhouseCoopers UAB to audit the Company's financial statement for 2008.

Stumbras AB general shareholders' meeting held on 15 January 2009 elected Birutė Minalgienė as an independent member of the audit committee and Romanas Raulynaitis, Chairman of the Supervisory Board, was elected a member of the audit committee.

11. Company's business plans and perspectives

As a result of a significant increase in the excise duty, the Company should face reduction both in sales volumes and in profit before tax in 2009 as compared to 2008.

Due to uncertain developments in the industry of consumer goods and services and unexpected changes in the Lithuanian taxation system and their impact on trading activities, the Company's management has no possibilities of providing reliable performance indicators for 2009.

12. Structure of the Issuer's authorised share capital

As at 31 December 2008, the Company's authorised share capital was comprised of 40,000,000 ordinary registered shares with par value of LTL 1 each.

Structure of the Company's authorised share capital according to categories of shares:

Category of shares	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Percentage in the authorised share capital (%)
Ordinary registered shares	40,000,000	1	40,000,000	100.00
Total	40,000,000		40,000,000	100.00

All shares of Stumbras AB are fully paid.

The Company's shareholders shall have the following property rights:

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive a part of assets of the Company in liquidation;
- 3) to receive shares without payment if the authorised share capital is increased out of the Company's funds, except in cases specified in the Law on Companies of the Republic of Lithuania;
- 4) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholder Meeting decides to withdraw this right for all the shareholders;
- 5) to leave all or a part of shares to one or several persons under a will;
- 6) to transfer all or a part of shares to the ownership of other persons, except in cases specified in the laws of the Republic of Lithuania;
- 7) other property rights established by laws and the Company's Articles of Association.

The Company's shareholders shall have the following non-property rights:

- 1) to attend the General Shareholder Meetings and vote;
- 2) to receive information on the Company specified in paragraph 1 of Article 18 of the Law on Companies of the Republic of Lithuania;
- 3) to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the Company Manager of his/her obligations prescribed by the Articles of Association of the Company and other laws as well as in other cases laid down by laws;
- 5) other non-property rights established by laws and the Company's Articles of Association.

13. Restrictions on disposal of securities

There are no restrictions.

14. Shareholders

As at 31 December 2008, the number of shareholders of Stumbras AB was 711.

Shareholders holding more than 5 per cent of the Company's authorised share capital as at 31 December 2008 are as follows:

Full name of the shareholder (company name, type, official seat, code of the legal entities' register)	Number of shares owned by the shareholder (units)	Share in the authorised capital	Share of votes represented by shares owned	Share of votes conferred to the shareholder together with persons acting jointly
Mineraliniai Vandenys UAB J.Jasinskio g. 16, Vilnius, company code 121702328	37,959,883	94,90		

15. Shareholders holding special control rights and descriptions of these rights

There are no such shareholders.

16. All restrictions regarding voting rights

There are no restrictions

17. All mutual agreements of shareholders of which the Issuer is aware and due to which restrictions on transfer of securities and/or voting rights may be imposed

There are no such agreements

18. Personnel

	31/12/2008	31/12/2007
Number of employees		
Managers	7	7
Officials-specialists	65	64
Workers	225	293

	2008	2007
Average gross remuneration		
Managers	27,086	13,825
Officials-specialists	5,558	5,977
Workers	2,311	2,227

Personnel education

	31/12/2008	31/12/2007
Personnel with higher university education	75	75
Personnel with college education	63	74
Personnel with secondary education	147	192
Personnel without secondary education	12	23
Total	297	364

During the reporting period the number of staff decreased by 18.4 per cent due to a lower volume of production. As at 31 December 2008, the Company had 297 employees (1 January 2008: 364 employees).

In applicable Company's collective agreement there is not indicated special personnel or part of personnel rights.

19. Amendment procedure of the Issuer's Articles of Association

The Law on Companies of the Republic of Lithuania establishes that the General Shareholder Meeting shall be vested with an exclusive right to amend the Articles of Association.

The Company's Articles of Association stipulate that decision to amend Articles of Association is adopted by a 2/3 majority of the votes conferred by the shares of the shareholders present at the General Shareholder Meeting. Following the decision by the General Shareholder Meeting to amend the Company's Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Shareholder Meeting

20. Issuer's bodies

The Company's Articles of Association stipulate that the Company shall have the following bodies: the General Shareholder Meeting, the Supervisory Board, the Board and the Company Manager.

Articles of Association provide that restrictions on rights of the members of the Company's bodies shall be determined by the Law on Companies of the Republic of Lithuania.

Articles of Association provide that the competence of the General Shareholder Meeting shall be defined by the Law on Companies.

The Supervisory Board is a collegial supervisory body of the Company. The Supervisory Board composed of 3 (three) members is elected by the General Shareholder Meeting for the term of 4 (four) years. The General Shareholder Meeting may remove from office the entire Supervisory Board or its individual members before the expiry of the term of their office. In Company's article of association is indicated, that Supervisory Board competence is determined by Lithuanian Republic Law on Companies

The Board is a collegial management body of the Company. The Board composed of 6 (six) members is elected by the Supervisory Board for the term of 4 (four) years. The Supervisory Board may remove from office the entire Board or its individual members before the expiry of the term of their office.

The Articles of Association of the Company stipulate that the Board shall deal with major production, organisational, financial and economic issues, analyse and approve the operating strategy, the use of financial resources, approve the organisational and management structure of the Company, elect and remove the Company manager and shall fulfil other functions prescribed by the Law on Companies.

The Company Manager – the Chief Executive Office – is elected and removed under procedure prescribed by the Law on Companies. The competence of the Company Manager is defined by the Law on Companies. The Company Manager shall be responsible for the organisation of the Company's operations, implementation of it objectives, shall be entitled to enter into transactions at his own discretion, save in cases where the Law on Companies provides that there is a decision of the Board to enter into transactions. The Head of Administration shall follow decisions passed by the General Shareholder Meeting, the Supervisory Board and the Board.

In 2009, in Company established the audit committee that acts under the Regulations approved by the decision of the Board of Stumbras AB as of 10 December 2008. Main functions of the audit committee include observance of the process of preparation of the Company's financial statements; control of effectiveness of the Company's processes of internal control, risk management and internal audit, if any; observance of the process of auditing of the Company; observance of the compliance with the principles of independence and impartiality by the auditor and the audit firm; provision of written recommendations to the Board with regard to audit firms offered to be elected the Company's auditor by the General Shareholder Meeting; immediate notification of the Company Manager about the information provided to the audit committee by the audit firm concerning audit-related matters, in particular, when significant deficiencies of internal controls related to financial statements have been identified.

21. Members of the collegial bodies, the Company Manager, the Chief Financier

Position of the person	Name, surname	Number of the Issuer's shares held	Commencement date	Termination date
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Supervisory Board

Chairman of the Supervisory Board	Romanas Raulynaitis	15,959	01/12/2007	01/12/2011
Member of the Supervisory Board	Inga Žemkauskienė	-	01/12/2007	01/12/2011
Member of the Supervisory Board	Dalius Balceris	-	01/12/2007	01/12/2011

For the Members of the Board (for one person) for 2008 were paid off dividends LTL 8 048,00. There were any other calculated money amounts, transmited property and given guarantees.

Board

Chairman of the Board	Darius Juozas Mockus	-	28/11/2007	28/11/2011
Member of the Board	Artūras Listavičius	-	28/11/2007	28/11/2011
Member of the Board	Rolandas Vingilis	-	28/11/2007	28/11/2011
Member of the Board	Raimondas Kurlianskis	-	28/11/2007	28/11/2011
Member of the Board	Česlovas Matulevičius	39,326	28/11/2007	28/11/2011
Member of the Board	Aurelijus Racevičius	11,812	28/11/2007	28/11/2011

For the Members of the Board for 2008 were paid off dividends LTL 17 104, an average for one member – LTL 8 552,00. There were any other calculated money amounts, transmited property and given guarantees.

Audit committee

Independent member	Birutė Minalgienė	-	15/01/2009	15/01/2013
Committee member	Romanas Raulynaitis	15,959	15/01/2009	15/01/2013

Head of Administration and the Financial Manager

Chief Executive Officer	Česlovas Matulevičius	39,326	01/09/2004	-
Financial Manager	Voldemaras Kallo	19,666	07/11/2003	-

In 2008, the aggregate remuneration of the Chief Executive Officer and the Financial Manager amounted to LTL 819 657 (average for one person LTL 409 829) . No other assets were disposed and no guarantees issued – also were not paid off dividends LTL28 316 (average for one person LTL 14 158).

The Company has concluded no agreements with members of bodies or employees that would define their competence in case of their resignation or dismissal without a sound reason or in case of termination of their employment as a result of the change in the control of the Company.

Supervisory Board:

ROMANAS RAULYNAITIS –Chairman of the Supervisory Board.

Participation in the management of other companies:

- Laisvas ir Nepriklausomas Kanalas UAB (company code 123026090, Šeškinės g. 20, Vilnius) member of the Board from 30/12/2003.
- Lawyer at the law firm Raulynaitis, Žemkauskienė ir Partneriai (official seat J. Jasinskio g. 16, Vilnius) employed from 01/06/2004

INGA ŽEMKAUSKIENĖ –member of the Supervisory Board.

Participation in the management of other companies:

- Laisvas ir Nepriklausomas Kanalas UAB (company code 123026090, Šeškinės g. 20, Vilnius) member of the Board from 31/08/2006; Mitnija UAB (company code 134511472, Palemono g. 3, Kaunas), member of the Board from 23/03/2006, lawyer from 01/06/2004.

DALIUS BALCERIS –member of the Supervisory Board. Lawyer from 2005.

Board:

DARIUS JUOZAS MOCKUS –Chairman of the Board. Higher education acquired. Employment record: 1992–1996 Investicijos Fondas IAB, Chairman of the Board hired under the employment agreement; 1996–2000 Minvista UAB, Director from 2000 to 2006; Koncernas MG Baltic UAB, President from 15/12/2000.

Participation in the management of other companies:

Koncernas MG Baltic UAB (company code 125459336, official seat J.Jasinskio g.16, Vilnius), Head of Administration/President;

Koncernas MG Baltic UAB (company code 125459336, official seat J.Jasinskio g.16, Vilnius), Chairman of the Board;

MG Baltic Trade UAB (company code 125313192, official seat J.Jasinskio g.16, Vilnius), General Manager;

Apranga APB (company code 121933274, official seat Kirtimų g.51, Vilnius), member of the Board;

Laisvas ir Nepriklausomas Kanalas UAB (company code 123026090, official seat Šeškinės g. 20, Vilnius), member of the Board.

ARTŪRAS LISTAVIČIUS –member of the Board, Director of Ethyl Alcohol Production Development at AB STUMBRAS AB. Higher education acquired. Employment record: from 01/01/1994 to 27/03/2002 UAB Mineraliniai Vandenyys, Head of Administration/Director (General Manager); till 2005 MG Baltic Trade UAB, Head of Administration (General Manager); from 01/11/2003 to 01/09/2004 Stumbras AB, General Manager; till December 2005 Director of Ethyl Alcohol Production Development at Stumbras AB; from December 2005 Biofuture AB, Chairman of the Board.

Participation in the management of other companies:

MG Baltic Trade UAB (company code 125313192, official seat J.Jasinskio g.16, Vilnius), Chairman of the Board;

Koncernas MG Baltic UAB (company code 125459336, official seat J.Jasinskio g.16, Vilnius), member of the Board.

ROLANDAS VINGILIS –member of the Board. Higher education acquired. Employment record: 1992–1994 Inovacinė Firma INIT UAB, Director of Vilnius Branch; 1994–1998 Trading M.J.D. UAB, Manager; From 1996 Troja UAB, Director; 1997–1999 Trojos Prekyba UAB, Deputy Director; 1998–1999 Trojina UAB, Acting Director.

Participation in the management of other companies:

Troja UAB (company code 2350162, official seat J.Jasinskio g.16, Vilnius), Head of Administration/Director;

MG Valda UAB (company code 2301033, official seat J.Jasinskio g 16, Vilnius), Chairman of the Board;

Koncernas MG Baltic UAB (company code 125459336, official seat J.Jasinskio g.16, Vilnius), member of the Board;

MG Baltic Trade UAB (company code 125313192, official seat J.Jasinskio g.16, Vilnius), member of the Board.

AURELIJUS RACEVIČIUS– member of the Board. Higher education acquired. Employment record: 1981–1986 Expert of the Expert and Criminal Division at the Ministry of the Interior; 1986–1990 Head of the Expert and Criminal Unit of Kaunas Internal Affairs Board; 1990–1991 Commissar Inspector of the Expert and Criminal Division of Kaunas Chief Police Commissariat; 1991–1998 Senior Commissioner of the Interpol Lithuanian National Bureau; 1998–1999 Special Attaché of the Ministry of the Interior to the Lithuanian Mission to the EU, Senior Commissioner; 1999–2000 Director of the Informatics and Communications Department at the Ministry of the Interior; as at 31/05/2000, a retired member of the reserve. From 2005 Biofuture AB, member of the Board.

RAIMONDAS KURLIANSKIS –member of the Board and General Manager of MG BALTIC INVESTMENT UAB (company code 123249022, official seat J.Jasinskio g.16, Vilnius) from 03/06/1998; MG BALTIC MEDIA UAB (company code 211616910, official seat J.Jasinskio g.16, Vilnius), Chairmen of the Board from 30/12/2003; Laisvas ir Nepriklausomas Kanalas UAB (company code 123026090, Šeškinės g. 20, Vilnius), Chairman of the Board from 30/12/2003, Mitnija UAB (company code 134511472, Palemono g. 3, Kaunas), Chairman of the Board from 23/03/2006; Apranga APB (company code 121933274, official seat Kirtimų g. 51, Vilnius), member of the Board; ALFA MEDIA UAB (company code 123405717, official seat J.Jasinskio g.16, Vilnius), member of the Board; UPG BALTIC UAB (company code 300651843, official seat Jonavos g. 254A, Kaunas), member of the Board; MEDIAFON UAB (company code 124424581, official seat Olimpiečių g. 1–31, Vilnius), member of the Board.

ČESLOVAS MATULEVIČIUS –member of the Board and Chief Executive Officer of STUMBRAS AB. Higher

education acquired. Employment record: 1991–1995 Minta UAB; 1995–1997 owner of the sole proprietorship; May 1998 – October 1998 Gudrūna UAB, Deputy Director; November 1998 – December 1998 Industrijos Bankas AB, Klaipėda Branch, Cashier; December 1998 – January 1999 Anvija UAB, trade agent; January 1999 – September 1999 Pieno Žvaigždės AB, Deputy Head of Mažeikiai Dairy; September 1999 – July 2002 Pieno Žvaigždės AB, Director of Klaipėda Division; July 2002 – May 2003 Anykščių Vynas AB, Marketing Director; May 2003 – August 2004 Anykščių Vynas AB, Acting General Manager; Chief Executive Officer of Stumbras AB from 01/09/2004.

Audit committee

BIRUTĖ MINALGIENĖ – independent member of the audit committee. Higher education acquired. Employment record: the field of accounting – chief bookkeeper at Saistas UAB from 06/1992 to 11/2000; chief bookkeeper at Hetlita UAB from 11/2000.

ROMANAS RAULYNAITIS – member of the audit committee and the Chairman of Company's Supervisory Board.

22. Information about significant agreements

The Company has concluded no significant agreements in which the Company is a party to and which would come into effect, change or terminate as a result of the change in the control of the Company.

23. Information about the compliance with the Governance Code

Stumbras AB confirms its substantial compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange (VSE) for the companies listed on the regulated market. The Report on the compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange (VSE) for the companies listed on the regulated market is presented as a separate written representation.

24. Information about transactions with related parties

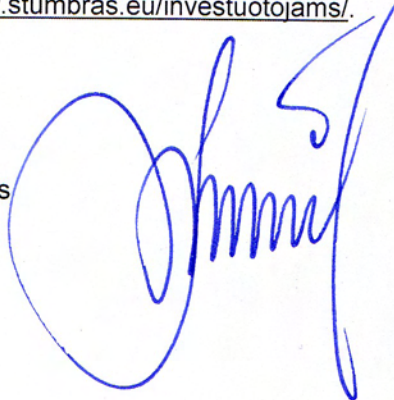
The major shareholder of the Company is Mineraliniai Vandeny AB which holds 94.90 per cent of the Company's shares. The remaining amount of the Company's shares is held by different small shareholders. Subsidiaries of Koncernas MG Baltic UAB are treated as other related parties. Negotiations with related parties regarding services are conducted on "a cost plus" basis. Products are sold based on a price list applicable to unrelated parties.

Results of transactions with related parties performed in 2008 are disclosed in the notes to the financial statements of Stumbras AB as at 31 December 2008.

25. Data on publicly announced information

In the period from 1 January 2008 to 31 December 2008, the Company publicly announced information on the website of OMX Client News Service and on the Company's website. In addition, the Company announced dates of General Shareholder Meetings in the daily *Respublika*. The Company's public communications are available on the website of VSE at <http://www.baltic.omxgroup.com/market/?pg=news> and on the Company's website at <http://www.stumbras.eu/investuotojams/>.

Česlovas Matulevičius
General Director



7 July 2009

education acquired. Employment record: 1991–1995 Minta UAB; 1995–1997 owner of the sole proprietorship; May 1998 – October 1998 Gudrūna UAB, Deputy Director; November 1998 – December 1998 Industrijos Bankas AB, Klaipėda Branch, Cashier; December 1998 – January 1999 Anvija UAB, trade agent; January 1999 – September 1999 Pieno Žvaigždės AB, Deputy Head of Mažeikiai Dairy; September 1999 – July 2002 Pieno Žvaigždės AB, Director of Klaipėda Division; July 2002 – May 2003 Anykščių Vynas AB, Marketing Director; May 2003 – August 2004 Anykščių Vynas AB, Acting General Manager; Chief Executive Officer of Stumbras AB from 01/09/2004.

Audit committee

BIRUTĖ MINALGIENĖ – independent member of the audit committee. Higher education acquired. Employment record: the field of accounting – chief bookkeeper at Saistas UAB from 06/1992 to 11/2000; chief bookkeeper at Hetlita UAB from 11/2000.

ROMANAS RAULYNAITIS – member of the audit committee and the Chairman of Company's Supervisory Board.

22. Information about significant agreements

The Company has concluded no significant agreements in which the Company is a party to and which would come into effect, change or terminate as a result of the change in the control of the Company.

23. Information about the compliance with the Governance Code

Stumbras AB confirms its substantial compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange (VSE) for the companies listed on the regulated market. The Report on the compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange (VSE) for the companies listed on the regulated market is presented as a separate written representation.

24. Information about transactions with related parties

The major shareholder of the Company is Mineraliniai Vandenys AB which holds 94.90 per cent of the Company's shares. The remaining amount of the Company's shares is held by different small shareholders. Subsidiaries of Koncernas MG Baltic UAB are treated as other related parties. Negotiations with related parties regarding services are conducted on "a cost plus" basis. Products are sold based on a price list applicable to unrelated parties.

Results of transactions with related parties performed in 2008 are disclosed in the notes to the financial statements of Stumbras AB as at 31 December 2008.

25. Data on publicly announced information

In the period from 1 January 2008 to 31 December 2008, the Company publicly announced information on the website of OMX Client News Service and on the Company's website. In addition, the Company announced dates of General Shareholder Meetings in the daily *Respublika*. The Company's public communications are available on the website of VSE at <http://www.baltic.omxgroup.com/market/?pg=news> and on the Company's website at <http://www.stumbras.eu/investuotojams/>.

Česlovas Matulevičius
General Director

7 July 2009

Annexes

Disclosure form concerning the compliance with the Governance Code for the companies listed on the regulated market

The public company STUMBRAS AB, following Article 21.3 of the Lithuanian Law on Securities and item 20.5 of the Trading Rules of the Vilnius Stock Exchange, discloses its compliance with the Governance Code, approved by the Vilnius Stock Exchange (VSE) for the companies listed on the regulated market, and its specific provisions. In the event of non-compliance with the Code or with certain provisions thereof, it must be specified which provisions are not complied with and the reasons of non-compliance.

PRINCIPLES/ RECOMMENDATIONS	YES/NO /NOT APPLICABLE	COMMENTARY
<p>Principle I: Basic Provisions</p> <p>The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.</p>		
<p>1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.</p>	<p>YES</p>	<p>Such kind of information is disclosed on the Company's website at http:// www.stumbras.net/ lt/naujienos? archive=1&npg=7 including a special information for investors available at http://www.stumbras.net/investuotojams/</p> <p>Information is also presented in the announcements of VSE and in periodic press releases of BNS and DELFI news agencies, newspapers, press conferences, etc.</p>
<p>1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.</p>	<p>YES</p>	
<p>1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.</p>	<p>YES</p>	
<p>1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.</p>	<p>YES</p>	
<p>Principle II: The corporate governance framework</p> <p>The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's bodies, protection of the shareholders' interests.</p>		

2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders’ meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.	YES	
2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company’s management bodies.	YES	
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company’s chief executive officer.	NOT APPLICABLE	The Company has set up both, the Supervisory Board and the Board of Directors.
2.4. The collegial supervisory body to be elected by the general shareholders’ meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body. ¹	YES	Principles III and IV of Governance Code define performance evaluation and formation procedures of the supervisory body. According to the known and existing shareholders as at the reporting date, in case when one person holds more than 93.3 (ninety-three and three-tenths) per cent of all shares and voting rights, the Company complies with all the requirements of Principle II and meets the interests of its shareholders.
2.5. Company’s management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies. ²	YES	The Company’s Supervisory Board consists of 3 persons and the Company’s Board consists of 6 persons.

¹ Provisions of Principles III and IV are more applicable to those instances when the general shareholders’ meeting elects the supervisory board, i.e. a body that is essentially formed to ensure oversight of the company’s board and the chief executive officer and to represent the company’s shareholders. However, in case the company does not form the supervisory board but rather the board, most of the recommendations set out in Principles III and IV become important and applicable to the board as well. Furthermore, it should be noted that certain recommendations, which are in their essence and nature applicable exclusively to the supervisory board, should not be applied to the board, as the competence and functions of these bodies according to the Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) are different. For instance, item 3.1 of the Code concerning oversight of the management bodies applies to the extent it concerns the oversight of the chief executive officer of the company, but not of the board itself; item 4.1 of the Code concerning recommendations to the management bodies applies to the extent it relates to the provision of recommendations to the company’s chief executive officer; item 4.4 of the Code concerning independence of the collegial body elected by the general meeting from the company’s management bodies is applied to the extent it concerns independence from the chief executive officer.

² Definitions ‘*executive director*’ and ‘*non-executive director*’ are used in cases when a company has only one collegial body.

<p>2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.</p>	<p>YES</p>	
<p>2.7. Chairman of the collegial body elected by the general shareholders' meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to depart from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.</p>	<p>YES</p>	
<p>Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting</p> <p>The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies.³</p>		
<p>3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.</p>	<p>YES</p>	<p>The controlling shareholder of the Company due to the number of shares and voting rights held and at its own discretion and ensurance of its interest has the full power to propose to the general shareholders' meeting to recall a collegial body to be elected by the Company's general shareholders' meeting or any of its members.</p>

³ Attention should be drawn to the fact that in the situation where the collegial body elected by the general shareholders' meeting is the board, it is natural that being a management body it should ensure oversight not of all management bodies of the company, but only of the single-person body of management, i.e. the company's chief executive officer. This note shall apply in respect of item 3.1 as well.

<p>3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.</p>	<p>YES/NO</p>	<p>Under Recommendation 3.2 of this Principle, the Company collects and discloses information about the members of the collegial body, as well information about their education, qualifications, professional background, potential conflicts of interest in public periodic reports. This information is not disclosed before General Meeting.</p>
<p>3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.</p>	<p>YES</p>	
<p>3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the collegial body should determine its desired composition with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies.</p>	<p>NO</p>	<p>The controlling shareholder of the Company determines a desired composition of the collegial body.</p>
<p>3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.</p>	<p>YES</p>	

<p>3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient⁴ number of independent⁵ members.</p>	<p>YES</p>	<p>The Company complies with the recommendations of this item as under the requirements of Recommendation 3.2 two out of three members of the supervisory body can be considered as independent members. The independence of the members of the collegial body elected by the general shareholders' meeting is evaluated under certain criteria established by Company, i.e. according to the member's other actual position held, elected or appointed at related companies; according to the person's individually presented declaration of personal interests (shares held or otherwise acquired voting rights in other companies, shares or voting rights possessed on behalf of the spouse, etc.). Mrs. Inga Žemkauskienė and Mr. Dalius Balceris are regarded as independent members of the supervisory body.</p>
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⁴ The Code does not provide for a concrete number of independent members to comprise a collegial body. Many codes in foreign countries fix a concrete number of independent members (e.g. at least 1/3 or 1/2 of the members of the collegial body) to comprise the collegial body. However, having regard to the novelty of the institution of independent members in Lithuania and potential problems in finding and electing a concrete number of independent members, the Code provides for a more flexible wording and allows the companies themselves to decide what number of independent members is sufficient. Of course, a larger number of independent members in a collegial body is encouraged and will constitute an example of more suitable corporate governance.

⁵ It is notable that in some companies all members of the collegial body may, due to a very small number of minority shareholders, be elected by the votes of the majority shareholder or a few major shareholders. But even a member of the collegial body elected by the majority shareholders may be considered independent if he/she meets the independence criteria set out in the Code.

<p>3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following:</p> <ol style="list-style-type: none"> 1) He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any associated company and has not been such during the last five years; 2) He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) He/she is not a controlling shareholder or representative of such shareholder (control as defined in the Council Directive 83/349/EEC Article 1 Part 1); 5) He/she does not have and did not have any material business relations with the company 	YES	
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<p>or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counseling and consulting services), major client or organization receiving significant payments from the company or its group;</p> <p>6) He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company;</p> <p>7) He/she is not an executive director or member of the board in some other company where executive director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;</p> <p>8) He/she has not been in the position of a member of the collegial body for over than 12 years;</p> <p>9) He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.</p> <p>3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.</p>	<p>YES</p>	
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3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.	YES	
3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	YES	
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. ⁶ The general shareholders' meeting should approve the amount of such remuneration.	YES	
<p>Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting</p> <p>The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring⁷ of the company's management bodies and protection of interests of all the company's shareholders.</p>		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance. ⁸	YES	

⁶ It is notable that currently it is not yet completely clear, in what form members of the supervisory board or the board may be remunerated for their work in these bodies. The Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) provides that members of the supervisory board or the board may be remunerated for their work in the supervisory board or the board by payment of annual bonuses (*tantiems*) in the manner prescribed by Article 59 of this Law, i.e. from the company's profit. The current wording, contrary to the wording effective before 1 January 2004, eliminates the exclusive requirement that annual bonuses (*tantiems*) should be the *only* form of the company's compensation to members of the supervisory board or the board. So it seems that the Law contains no prohibition to remunerate members of the supervisory board or the board for their work in other forms, besides bonuses, although this possibility is not expressly stated either.

⁷ See Footnote 3.

⁸ See Footnote 3. In the event the collegial body elected by the general shareholders' meeting is the board, it should provide recommendations to the company's single-person body of management, i.e. the company's chief executive officer.

<p>4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).</p>	<p>YES</p>	<p>The is no information and no other evidence leading to the fact that members of the Supervisory Board could act not in the interests of the Company or seek and accept any unjustified privileges that might compromise their independence. According the information available to the Company all members of the Supervisory Board participated in all of the sittings of the Board and each member of the Board devoted sufficient time to perform the duties of a member of the Supervisory Board.</p>
<p>4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half⁹ of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.</p>	<p>YES</p>	<p>According the information available to the Company all members of the Supervisory Board participated in all of the sittings of the Board and each member of the Board devoted sufficient time to perform the duties of a member of the Supervisory Board.</p>
<p>4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.</p>	<p>YES</p>	

⁹ It is notable that companies can make this requirement more stringent and provide that shareholders should be informed about failure to participate at the meetings of the collegial body if, for instance, a member of the collegial body participated at less than 2/3 or 3/4 of the meetings. Such measures, which ensure active participation in the meetings of the collegial body, are encouraged and will constitute an example of more suitable corporate governance.

<p>4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.</p>	<p>YES</p>	
<p>4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies¹⁰. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees.</p>	<p>YES</p>	

¹⁰ In the event the collegial body elected by the general shareholders' meeting is the board, the recommendation concerning its independence from the company's management bodies applies to the extent it relates to the independence from the company's chief executive officer.

<p>4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish nomination, remuneration, and audit committees. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>	YES/NO	<p>In Company is not formed 4.12-4.13 clauses mentioned committees. The Audit Committee is formed at the Company. The Board, the managing body of the Company, in the execution of its duties partly performs functions of Audit, Remuneration and Appointment Committees set out in the recommendations. The Board selects the candidacy for the position of the Company Manager, the Chief Executive Officer, candidacies for the positions of other chief management staff and proposes the selected candidates to the Company Manager; regularly assesses their experience, professional abilities and strategic management of the Company; receives their reports. The Board approves all budgets of the Company, controls, receives and hears reports of the Chief Executive Officer and other chief management staff on salaries and execution plans of other Company's approved budgets and their use. The Board proposes candidacy of the auditor, candidacy of the independent auditor of the Company and makes proposals to the General Shareholder Meeting to approve of the selected auditors.</p>
<p>4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.</p>	NO	See 4.7 clause comment.
<p>4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is</p>	NO	See 4.7 clause comment.

<p>refreshed and that undue reliance is not placed on particular individuals.</p>		
<p>4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.</p>	<p>NO</p>	<p>See 4.7 clause comment.</p>
<p>4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.</p>	<p>NO</p>	<p>See 4.7 clause comment.</p>

<p>4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following:</p> <ul style="list-style-type: none"> • Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the shareholders of the company; • Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes; • Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; • Properly consider issues related to succession planning; • Review the policy of the management bodies for selection and appointment of senior management. <p>4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company should be consulted by, and entitled to submit proposals to the nomination committee.</p>	NO	Nomination Committee is not formed. See 4.7 clause comment.
<p>4.13. Remuneration Committee. 4.13.1. Key functions of the remuneration committee should be the following:</p> <ul style="list-style-type: none"> • Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body; • Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the 	NO	Remuneration Committee is not formed. See 4.7 clause comment.

<p>total compensation obtained by executive directors and members of the management bodies from the affiliated companies;</p> <ul style="list-style-type: none"> • Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies; • Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors); • Make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies. <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should:</p> <ul style="list-style-type: none"> • Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; • Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting; • Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has. <p>4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.</p>		
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<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the audit committee should be the following:</p> <ul style="list-style-type: none"> • Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group); • At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided; • Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually; • Make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations; • Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee; • Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter. <p>4.14.2. All members of the committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the</p>	YES	Audit committee is formed.
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<p>accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations.</p> <p>4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.</p> <p>4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors.</p> <p>4.14.5. The audit committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit.</p> <p>4.14.6. The audit committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action.</p> <p>4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.</p>		
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<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.</p>	NO	<p>Management conduct the assessment of its as collegial body and every member's activities, but management has not verified the documents relating the assessment of activities and procedures for dissemination of public information. ____</p>
<p>Principle V: The working procedure of the company's collegial bodies</p> <p>The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company's bodies.</p>		
<p>5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.</p>	YES	
<p>5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's supervisory board should be convened at least once in a quarter, and the company's board should meet at least once a month¹¹.</p>	YES	

¹¹ The frequency of meetings of the collegial body provided for in the recommendation must be applied in those cases when both additional collegial bodies are formed at the company, the board and the supervisory board. In the event only one additional collegial body is formed in the company, the frequency of its meetings may be as established for the supervisory board, i.e. at least once in a quarter.

<p>5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.</p>	<p>YES</p>	
<p>5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-ordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.</p>	<p>YES</p>	
<p>Principle VI: The equitable treatment of shareholders and shareholder rights</p> <p>The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.</p>		
<p>6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.</p>	<p>YES</p>	
<p>6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.</p>	<p>YES</p>	
<p>6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the general shareholders' meeting.¹² All shareholders should be furnished with equal opportunity to</p>	<p>YES</p>	

¹² The Law on Companies of the Republic of Lithuania (*Official Gazette*, 2003, No 123-5574) no longer assigns resolutions concerning the investment, transfer, lease, mortgage or acquisition of the long-terms assets accounting for more than 1/20 of the company's authorised capital to the competence of the general shareholders' meeting. However, transactions that are important and material for the company's activity should be considered and approved by the general shareholders' meeting. The Law on Companies contains no prohibition to this effect either. Yet, in order not to encumber the company's activity and escape an unreasonably frequent consideration of transactions at the meetings, companies are free to establish their own criteria of material transactions, which are subject to the approval of the meeting. While establishing these criteria of material transactions, companies may follow the criteria set out in items 3, 4, 5 and 6 of paragraph 4 of Article 34 of the Law on Companies or derogate from them in view of the specific nature of their operation and their attempt to ensure uninterrupted, efficient functioning of the company.

familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.		
6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the general shareholders' meeting and receive answers to them.	YES	
6.5. It is recommended that documents on the course of the general shareholders' meeting, including draft resolutions of the meeting, should be placed on the publicly accessible website of the company in advance ¹³ . It is recommended that the minutes of the general shareholders' meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.	YES	
6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	

¹³ The documents referred to above should be placed on the company's website in advance with due regard to a 10-day period before the general shareholders' meeting, determined in paragraph 7 of Article 26 of the Law on Companies of the Republic of Lithuania (Official Gazette, 2003, No 123-5574).

<p>6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies in voting processes by allowing the shareholders to vote in general meetings via terminal equipment of telecommunications. In such cases security of telecommunication equipment, text protection and a possibility to identify the signature of the voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially foreigners, with the opportunity to watch shareholder meetings by means of modern technologies.</p>	NO	Effective legal acts of Lithuania do not foresee such a voting form and the Company is not technically ready to use such technological means.
<p>Principle VII: The avoidance of conflicts of interest and their disclosure</p> <p>The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.</p>		
<p>7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.</p>	YES	
<p>7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.</p>	YES	
<p>7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.</p>	YES	

<p>7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.</p>	<p>YES</p>	
<p>Principle VIII: Company's remuneration policy</p> <p>Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.</p>		
<p>8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement). This statement should be part of the company's annual accounts. Remuneration statement should also be posted on the company's website.</p>	<p>NO</p>	<p>In the manner prescribed by the laws, the Company, in its periodic reports, announces the aggregate amount of remuneration paid to the Company Manager and chief management staff. The Company follows an approved policy that the system of bonuses and other employment-related payments should not be publicly announced and that such information should be classified as comprising a commercial secret.</p>
<p>8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.</p>	<p>NO</p>	<p>Explanations are presented in item 8.1.</p>
<p>8.3. Remuneration statement should leastwise include the following information:</p> <ul style="list-style-type: none"> • Explanation of the relative importance of the variable and non-variable components of directors' remuneration; • Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; • Sufficient information on the linkage between the remuneration and performance; • The main parameters and rationale for any annual bonus scheme and any other non-cash benefits; • A description of the main characteristics of supplementary pension or early retirement schemes for directors. 	<p>NO</p>	<p>Explanations are presented in item 8.1.</p>
<p>8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.</p>	<p>NO</p>	<p>Explanations are presented in item 8.1.</p>

<p>8.5. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.</p>	NO	
<p>8.6. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.</p>	NO	Explanations are presented in item 8.1.
<p>8.7. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.7.1 to 8.7.4 for each person who has served as a director of the company at any time during the relevant financial year.</p> <p>8.7.1. The following remuneration and/or emoluments-related information should be disclosed:</p> <ul style="list-style-type: none"> • The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general shareholders meeting; • The remuneration and advantages received from any undertaking belonging to the same group; • The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted; • If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director; • Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year; • Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points. <p>8.7.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed:</p> <ul style="list-style-type: none"> • The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application; • The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year; • The number of share options unexercised at the end 	NO	Explanations are presented in item 8.1.

<p>of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights;</p> <ul style="list-style-type: none"> • All changes in the terms and conditions of existing share options occurring during the financial year. <p>8.7.3. The following supplementary pension schemes-related information should be disclosed:</p> <ul style="list-style-type: none"> • When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year; • When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year. <p>8.7.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial statements of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.</p>		
<p>8.8. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.</p>	<p>NOT APPLICABLE</p>	<p>Such a scheme is not applied.</p>
<p>8.9. The following issues should be subject to approval by the shareholders' annual general meeting:</p> <ul style="list-style-type: none"> • Grant of share-based schemes, including share options, to directors; • Determination of maximum number of shares and main conditions of share granting; • The term within which options can be exercised; • The conditions for any subsequent change in the exercise of the options, if permissible by law; • All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. <p>Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.</p>	<p>NOT APPLICABLE</p>	<p>Such form for pay-off is not applied.</p>

<p>8.10. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.</p>	<p>NOT APPLICABLE</p>	<p>Such form for pay-off is not applied.</p>
<p>8.11. Provisions of Articles 8.8 and 8.9 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.</p>	<p>NOT APPLICABLE</p>	<p>Such form for pay-off is not applied.</p>
<p>8.12. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.</p>	<p>NOT APPLICABLE</p>	<p>Such form for pay-off is not applied.</p>
<p>Principle IX: The role of stakeholders in corporate governance</p> <p>The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.</p>		
<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.</p>	<p>YES</p>	

<p>9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.</p>	<p>YES</p>	
<p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</p>	<p>YES</p>	
<p>Principle X: Information disclosure and transparency</p> <p>The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.</p>		

<p>10.1. The company should disclose information on:</p> <ul style="list-style-type: none"> • The financial and operating results of the company; • Company objectives; • Persons holding by the right of ownership or in control of a block of shares in the company; • Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration; • Material foreseeable risk factors; • Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; • Material issues regarding employees and other stakeholders; • Governance structures and strategy. 	YES	In accordance with effective legal acts of Lithuania this information is disclosed in Company publicly announced information on the website of OMX Client News Service and on the Company's website, Company's interim financial statements and in annual reports.
<p>This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.</p>		
<p>10.2. It is recommended that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.</p>	YES	
<p>10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.</p>	YES/NO	See 3.2 clause comment. Company is not preparing and doesn't publicly announce salary politics (see clause 8.1. comment).
<p>10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.</p>	YES	

<p>10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the Vilnius Stock Exchange, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.</p>	YES	
<p>10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.</p>	YES	
<p>10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.</p>	YES	
<p>Principle XI: The selection of the company's auditor</p>		
<p>The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.</p>		
<p>11.1. An interim and annual audit of the company's financial statements and annual report should be conducted by an independent firm of auditors in order to provide an objective opinion on the company's financial statements.</p>	YES	Annual financial statements and annual report of the Company are audited by the independent audit company.
<p>11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.</p>	YES	
<p>11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.</p>	YES	