

Approved by:
Decision of the Board of AB Stumbras
Dated the 10 of December 2008

REGULATIONS OF THE AUDIT COMMITTEE

I. General Provisions

1. The present Regulations of the Audit Committee have been developed in accordance with Article 52 of the Audit Law of the Republic of Lithuania and the Requirements Applicable on Audit Committees approved by the Decision of the Securities Commission of the Republic of Lithuania No.1K-18 of 21.08.2008, as well as considering the Recommendations of European Commission on the Role of Directors Consultants or Members of The Supervisory Board and (Supervisory) Board Committees of The Companies, Securities of Which are Traded at Stock Exchange, issued on 15.02.2005.
2. Regulations of the Audit Committee determine the rules defining the formation and period of activities of an audit committee, rights and duties of the audit committee and its members, as well as other provisions concerning activities of the audit committee.

II. Composition and Procedure of Formation of the Audit Committee

1. Considering the fact that, according to the valid wording of the Company's Articles of Association, the Supervisory Board consists of the minimum number of members specified in the Company Law of the Republic of Lithuania, it is hereby determined that, in the order of exception, the Company's Audit Committee shall consist of two members, at least one of whom shall be independent.
2. In case if the Articles of Association of the Company are altered in accordance with Lithuanian Law and it is determined in the new wording thereof that the Company's Supervisory Board shall consist of minimum five members, in such case the Company's Audit Committee shall consist of minimum three members, at least one of whom shall be independent.
3. Members of the Audit Committee offered by the Board of the Company are appointed and recalled by the General Shareholder Meeting of the Company.
4. Period of tenure of the Audit Committee shall be four years. Period of continuous tenure of a member of the Audit Committee must not exceed twelve years.
5. Each member of the Audit Committee may resign from members of the Audit Committee by fourteen-day prior written notice to the administration of the Company. The Board of the Company must ensure that the issue of appointment of a new member of the Audit Committee is settled at the next meeting of the Board.

III. Requirements on Education, Professional Experience and Independence of Members of the Audit Committee

1. A person having higher education or professional experience securing the person's knowledge of general systems, accounting principles, other principles of capital, assets, liabilities' accounting and international accounting standards used for registration, grouping and generalization of the Company's business operations, events, expressed in money, may become a member of the Audit Committee.

2. A person having higher education and at least five-year professional experience in the field of audit or accounting and satisfying the following independence requirements may be appointed to the position of an independent member of the Audit Committee:

2.1 The person may not be the general manager (the company's sole management body) of the Company or a related company and may not have held such position for the last five years;

2.2. The person may not be an employee of the Company or a related company and may not have held such position for the last three years;

2.3. The person shall not receive and shall not have received any significant additional remuneration from the Company and related company, except the payment for the position of a member of the Audit Committee;

2.4. The person shall not be the controlling shareholder, as well as shall not represent such shareholder;

2.5. The person shall not have and shall not have had within the last year any material business relations with the Company and related company neither directly nor as a partner of the person having such relations, shareholder, manager or a member of the administration. A person shall be deemed having business relations if the person is an important supplier of products or services (including financial, legal, advisory and consulting services), a significant client or organisation, which receives significant payments from the Company or its group;

2.6. The person shall not be or have been a partner or an employee of the present or previous audit enterprise of the Company and related company within the last three years;

2.7. The person shall not have been holding the position of a member of the committee for more than twelve years;

2.8. The person shall not be a close family member (spouse (common law partner), children and parents) of the general manager of the Company or the persons specified in Articles 2.1 to 2.6.

3. The following company shall be deemed to be the Company's related company as specified in Article 2:

3.1. Controls the Company, directly or indirectly, or is controlled by the Company;

3.2. May have considerable influence on the Company;

3.3. Jointly controls the Company under a joint operation agreement;

3.4. Is controlled by the same legal entity or natural person (a group of them) as the Company;

3.5. Is an associated company;

3.6. Is a company controlled under a joint operation agreement;

3.7. Is a company accumulating and, upon expiry of the period of service, paying pensions and other allowances.

IV. Activities of the Audit Committee

1. In its activities the Audit Committee shall follow legal instruments in force in the Republic of Lithuania and the present Regulations.

2. Members of the Audit Committee must be loyal to the Company and refrain from disclosing the Company's accounting and other information they have become aware of as a result of their activities to other persons, except the cases provided by Lithuanian Law.

3. Duties of the Audit Committee:

- 3.1. Observe the process of preparation of the Company's financial statements;
- 3.2. Observe efficiency of the Company's systems of internal control, risk management and internal audit, if any;
- 3.3. Observe the process of auditing of the Company;
- 3.4. Observe, how does the auditor and the audit company follow the principles of independence and impartiality.
- 3.5. Provide the Board with written recommendations with regard to the candidacy of an audit company offered to be elected by the General Shareholder Meeting.
- 3.6. Immediately notify the Company's general manager on the information provided by the audit company to the audit committee on audit-related problem issues, particularly in the cases, when significant deficiencies of internal control related to financial statements are found.
4. Rights of the Audit Committee:
 - 4.1. Obtain information on the Company, the Company's documents related to execution of their duties;
 - 4.2. Obtain comprehensive information related to specific peculiarities of the Company's accounting, financial issues and operations. The Company's administration, upon request of members of the Audit Committee, as well as on its own initiative, should notify the audit committee on the ways of accounting important and/or extraordinary transactions, provided that such accounting in the Company is carried out in different ways. In such cases, the Audit Committee should pay particular attention to the Company's activities in offshore (preferential trade) areas, provided that such activities exist, and/or activities carried out through special-purpose companies (organisations), provided that such actions are carried out for the purpose of finding out if such activities are justifiable.
6. Normally, meetings of the Audit Committee are convened on the initiative of the independent member of the Audit Committee.
7. The procedure of convocation and organisation of meetings of the Audit Committee can be determined by members of the Audit Committee upon their consensus.
8. Decisions adopted by the Audit Committee and other documents shall be executed in written and signed by each member of the Audit Committee. A member of the Audit Committee, who does not approve certain decision or another document, shall be entitled to express his/her individual opinion.
9. Decisions adopted by the Audit Committee and other written documents are presented to the general manager of the Company.
10. Decisions adopted by the Audit Committee and other written documents are of recommendation nature to the Company.
11. Operations of the Audit Committee shall be suspended and its duties shall be further carried out by the Supervisory Board of the Company in the cases, when at least two of the following criteria are found according to the data of approved financial statements of the Company for the previous year:
 - 11.1. Average number of the Company's staff members within the last financial year is less than 250;
 - 11.2. Value of assets accounted in the balance sheet for the previous financial year of the Company does not exceed EUR 43 millions;
 - 11.3. Net gain on sales of the Company within the last financial year does not exceed EUR 50 million.
12. Members of the Audit Committee may be remunerated for their functions. Remuneration of the independent member of the Audit Committee and the procedure of its payment is set by the General Shareholder Meeting of the Company.

VI. Final Provisions

1. The present Regulations of the Audit Committee come into force on the day of their approval.
2. The present Regulations of the Audit Committee may be altered or supplemented upon decision of the Board of the Company.