

AS “LATVIJAS JŪRAS MEDICĪNAS CENTRS”

**CORPORATE GOVERNANCE REPORT
FOR 2008**

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I INTRODUCTION

1. General Provisions

1. Legal acts of the Republic of Latvia and the regulatory acts related thereto set forth the specific provisions to be complied with by the capital companies that are listed in a regulated market in Latvia in relation to their administration and disclosure of information. Nowadays, it is the disclosed financial and non-financial information that is very important in the evaluation of the business of a capital company, therefore, it can be surely said that it is required for capital companies to implement a strictly determined procedure for the provision of internal and external accounts and to ensure timely disclosure of substantial information.

The objective and aim of corporate governance is to increase the value of a company but it can be implemented only if all the interests and rights of shareholders are complied with.

2. The basis of any corporate governance is the determination of the powers of the council and the board of a capital company, balancing their skills, experience and also independence in accordance with the business type and volume of the company. The most essential are honesty, independence, responsibility and compliance with ethical principles of the persons who might affect the strategy and financial independence of the Issuer, and the council should consist of good professionals with high principles of moral.

Taking into account that it is impossible to specify one uniform best cooperative governance model that could be applied by all the Issuers to equally efficient extent, these recommendations provide a summary of the key principles that should be considered as the basis of the best corporate governance.

3. These Principles of Corporate Governance and Recommendations on their Implementation (hereinafter – the Recommendations) have been prepared taking into account the requirements for capital companies laid down in the legal acts of the Republic of Latvia as well as the recommendations of the European Union and the OECD (Organization of Economic Cooperation and Development) on the governance of capital companies. The principles of corporate governance should be complied with not only by the capital companies the shares of which are listed on the regulated market organized by the Riga Stock Exchange (hereinafter – the Stock Exchange) – they are recommended to any other capital company.

II PRINCIPLES OF GOOD CORPORATE GOVERNANCE

SHAREHOLDERS' MEETING

Shareholders realize their right to participate in the management of the Issuer at shareholders' meetings. In compliance with legal acts the Issuers shall call the annual shareholders' meeting as minimum once a year. Extraordinary shareholders' meetings shall be called as required.

1. Ensuring shareholders' rights and participation at shareholders' meetings

The Issuers shall ensure equal attitude towards all the shareholders – holders of one category of shares. All shareholders shall have equal rights to participate in the management of the Issuer – to participate at shareholders' meetings and receive information that shareholders need in order to make decisions.

- 1.1. It shall be important to ensure that all the holders of shares of one category have also equal rights, including the right to receive a share of the Issuer's profit as dividends or in another way in proportion to the number of the shares owned by them if such right is stipulated for the shares owned by them.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. According to the Articles of Association of AS Latvijas Jūras medicīnas centrs have issued one category of shares and all shares of the same category give equal rights to dividends, liquidation quota and voting rights at the general meeting of shareholders.

- 1.2. The Issuer shall prepare a policy for the division of profit. In the preparation of the policy, it is recommended to take into account not only the provision of immediate benefit for the Issuer's shareholders by paying dividends to them but also the expediency of profit reinvesting, which would increase the value of the Issuer in future. It is recommended to discuss the policy of profit division at a shareholders' meeting thus ensuring that as possibly larger a number of shareholders have the possibility to acquaint themselves with it and to express their opinion on it. The Report shall specify where the Issuer's profit distribution policy is made available.

It is the competence of general meeting of shareholders to pass decisions of payout of dividends. In 2006 the Board drafted "Strategic Plan for development of AS Latvijas Jūras medicīnas centrs until 2010" that was approved by the Council. The said document sets out a plan for development of a company and aims at increasing its value. Such a strategy calls for reinvestment of profit to ensure development of group of companies of AS Latvijas Jūras medicīnas centrs thus increasing its value in future. The policy for the division of profit in a time of economic crisis will be discussed in the upcoming general meeting of shareholders.

- 1.3. In order to protect the Issuer's shareholders' interest to a sufficient extent, not only the Issuers but also any other persons who in compliance with the procedure stipulated in legislative acts call, announce and organize a shareholders' meeting are asked to comply with all the issues referred to in these Recommendations in relation to calling shareholders' meetings and provision of shareholders with the required information.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.4. Shareholders of the Issuers shall be provided with the possibility to receive in due time and regularly all the required information on the relevant Issuer, participate at meetings and vote on agenda issues. The Issuers shall carry out all the possible activities to achieve that as many as possible shareholders participate at meetings; therefore, the time and place of a meeting should not restrict the attendance of a meeting by shareholders. Therefore, it should not be admissible to change the time and place of an announced shareholders' meeting shortly before the meeting, which thus would hinder or even make it impossible for shareholders to attend the meeting.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.5. The Issuers shall inform their shareholders on calling a shareholders' meeting by publishing a notice in compliance with the procedure and the time limits set forth in legislative acts. The Issuers are asked to announce the shareholders' meeting as soon as the decision on calling the shareholders' meeting has been taken; in particular, this condition applies to extraordinary shareholders' meetings. The information on calling a shareholders' meeting shall be published also on the Issuer's website on the Internet, where it should be published also at least in one foreign language. It is recommended to use the English language as the said other language so that the website could be used also by foreign investors. When publishing information on calling a shareholders' meeting, also the initiator of calling the meeting shall be specified.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.6. The Issuer shall ensure that complete information on the course and time of the meeting, the voting on decisions to be adopted, as well as the agenda and draft decisions on which it is planned to vote at the meeting is available in due time to the shareholders. The Issuers shall also inform the shareholders whom they can address to receive answers to any questions on

the arrangements for the shareholders' meeting and the agenda issues and ensure that the required additional information is provided to the shareholders.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.7. The Issuer shall ensure that at least 14 (fourteen) days prior to the meeting the shareholders have the possibility to acquaint themselves with the draft decisions on the issues to be dealt with at the meeting, including those that have been submitted additionally already after the announcement on calling the meeting. The Issuer shall ensure the possibility to read a complete text of draft decisions, especially if they apply to voting on amendments to the Issuer's statutes, election of the Issuer's officials, determination of their remuneration, division of the Issuer's profit and other issues.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.8. In no way may the Issuers restrict the right of shareholders to nominate representatives of the shareholders for council elections. The candidates to the council and candidates to other offices shall be nominated in due time so that the information on the said persons would be available to the shareholders to the extent as stipulated in Clause 1.9 of this Section as minimum 14 (fourteen) days prior to the shareholders' meeting.

AS Latvijas Jūras medicīnas centrs complies with this recommendation as far as it falls within competence of the Board and the Council according to the requirements of legislative acts of the Republic of Latvia.

- 1.9. Especially, attention should be paid that the shareholders at least 14 (fourteen) days prior to the shareholders' meeting have the possibility to acquaint themselves with information on council member candidates and audit committee member candidates whose approval is planned at the meeting. When disclosing the said information, also a short personal biography of the candidates shall be published.

AS Latvijas Jūras medicīnas centrs complies with this recommendation as far as it falls within competence of the Board and the Council according to the requirements of legislative acts of the Republic of Latvia.

- 1.10. The Issuer may not restrict the right of shareholders to consult among them during a shareholders' meeting if it is required in order to adopt a decision or to make clear some issue.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 1.11. To provide shareholders with complete information on the course of the shareholders' meeting, the Issuer shall prepare the regulations on the course of shareholders' meeting, in which the agenda of shareholders' meeting and the procedure for solving any organizational issues connected with the shareholders' meeting (e.g., registration of meeting participants, the procedure for the adoption of decisions on the issues to be dealt with at the meeting, the Issuer's actions in case any of the issues on the agenda is not dealt with, if it is impossible to adopt a decision etc.). The procedures adopted by the Issuer in relation to participation in voting shall be easy to implement.

Even though there are no special regulations on the course of shareholders' meeting the applicable procedures on the course of shareholders' meeting are clear. This enables shareholders to easy implement their rights to participate in voting. Therefore AS Latvijas Jūras medicīnas centrs considers itself to be in compliance with this recommendation.

- 1.12. The Issuer shall ensure that during the shareholders' meeting the shareholders have the possibility to ask questions to the candidates to be elected at the shareholders' meeting and other attending representatives of the Issuer. The Issuer shall have the right to set reasonable restrictions on questions, for example, excluding the possibility that one shareholder uses up the total time provided for asking of questions and setting a time limit of speeches.

AS Latvijas Jūras medicīnas centrs complies with this recommendation as far as it falls within competence of the Board and the Council according to the requirements of legislative acts of the Republic of Latvia.

- 1.13. Since, if a long break of meeting is set, the right of shareholders to dispose of freely with their shares is hindered for an undetermined time period, it shall not be recommended to announce a break during a shareholders' meeting. The conditions upon which it is possible to announce a break shall be stipulated also in the regulations on the course of meeting. A break of meeting may be a lunch break, a short break (up to 30 minutes) etc.

AS Latvijas Jūras medicīnas centrs complies with this recommendation as far as it falls within competence of the Board and the Council according to the requirements of legislative acts of the Republic of Latvia.

- 1.14. When entering the course and contents of discussions on the agenda issues to be dealt with at the shareholders' meeting in the minutes of shareholders' meeting, the chairperson of the meeting shall ensure that, in case any meeting participant requires it, particular debates are reflected in the minutes or that shareholder proposal or questions are appended thereto in written form.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

2. Participation of members and member candidates of the Issuer's management institutions at shareholders' meetings

Shareholders' meetings shall be attended by the Issuer's board members, auditors, and as possibly many council members.

- 2.1. The attendance of members of the Issuer's management institutions and auditor at shareholders' meetings shall be necessary to ensure information exchange between the Issuer's shareholders and members of management institutions as well as to fulfill the right of shareholders to receive answers from competent persons to the questions submitted. The attendance of the auditor shall not be mandatory at shareholders' meetings at which issues connected with the finances of the Issuer are not dealt with. By using the right to ask questions shareholders have the possibility to obtain information on the circumstances that might affect the evaluation of the financial report and the financial situation of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 2.2. Shareholders' meetings shall be attended by the Issuer's official candidates whose election is planned at the meeting. This shall in particular apply to council members. If a council member candidate or auditor candidate is unable to attend the shareholders' meeting due to an important reason, then it shall be admissible that this person does not attend the shareholders' meeting. In this case, all the substantial information on the candidate shall be disclosed before the shareholders' meeting.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 2.3. During shareholders' meetings, the participants must have the possibility to obtain information on officials or official candidates who do not attend the meeting and reasons thereof. The reason of non-attendance should be entered in the minutes of shareholders' meeting.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

BOARD

The board is the Issuer's executive institution, which manages and represents the Issuer in its everyday business, therefore the Issuer shall ensure that it is efficient, able to take decisions, and

committed to increase the value of the company, therefore its obligations and responsibilities have to be clearly determined.

3. Obligations and responsibilities of the Board

The Issuers shall clearly and expressly determine the obligations and authorities of the board and responsibilities of its members, thus ensuring a successful work of the board and an increase in the Issuer's value.

- 3.1. The board shall have the obligation to manage the business of the Issuer, which includes also the responsibility for the realization of the objectives and strategies determined by the Issuer and the responsibility for the results achieved. The board shall be responsible for the said to the council and the shareholders' meeting. In fulfillment of its obligations, the board shall adopt decisions guided by interests of all the shareholders and preventing any potential conflict of interests.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 3.2. The powers of the board shall be stipulated in the Board Regulations or a similar document, which is to be published on the website of the Issuer on the Internet. This document must be also available at the registered office of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. The Board Regulations establish work procedure of the Board. Board Regulations have been drafted based on Articles of Association and Latvian Commerce Law.

- 3.3. The board shall be responsible also for the compliance with all the binding regulatory acts, risk management, as well as the financial activity of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 3.4. The board shall perform certain tasks, including:

- 1) corporate strategies, work plan, risk control procedure, assessment and advancement of annual budget and business plans, ensuring control on the fulfillment of plans and the achievement of planned results ;
- 2) selection of senior managers of the Issuer, determination of their remuneration and control of their work and their replacement, if necessary, in compliance with internal procedures (e.g. personnel policy adopted by the Issuer, remuneration policy etc.);
- 3) timely and qualitative submission of reports, ensuring also that the internal audits are carried out and the disclosure of information is controlled.

- 3.5. In annual reports, the board shall confirm that the internal risk procedures are efficient and that the risk management and internal control have been carried out in compliance with the said control procedures throughout the year.

- 3.6. It shall be preferable that the board submits decisions that determine the objectives and strategies for achievement thereof (participation in other companies, acquisition or alienation of property, opening of representation offices or branches, expansion of business etc) to the Issuer's council for approval.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

4. Board composition and requirements for Board members

A board composition approved by the Issuer shall be able to ensure sufficiently critical and independent attitude in assessing and taking decisions.

- 4.1. In composing the board, it shall be observed that every board member has appropriate education and work experience. The Issuer shall prepare a summary of the requirements to be set for every board member, which specifies the skills, education, previous work experience and other selection criteria for every board member.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. The Board members possess appropriate qualification and experience in their respective fields of expertise.

- 4.2. On the Issuer's website on the Internet, the following information on every Issuer's board member shall be published: name, surname, year of birth, education, office term, position, description of the last three year's professional experience, number of the Issuer's or its parent companies/subsidiaries shares owned by the member, information on positions in other capital companies.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 4.3. In order to fulfill their obligations successfully, board members must have access in due time to accurate information on the activity of the Issuer. The board must be capable of providing an objective evaluation on the activity of the Issuer. Board members must have enough time for the performance of their duties.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 4.4. It is not recommended to elect one and the same board member for more than four successive terms. The Issuer has to evaluate whether its development will be facilitated in the result of that and whether it will be possible to avoid a situation where greater power is concentrated in hands of one or a number of separate persons due to their long-term work at the Issuer. If, however, such election is admitted, it shall be recommended to consider to change the field of work of the relevant Board member at the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

5. Remuneration for the Board members.

Each member of the Board is entitled to a remuneration that is fair and proportionate. The principles for determining remuneration shall be clear and open.

- 5.1. Remuneration for the board shall be clearly defined and transparent. The Council of Issuer undertakes a regular review of remuneration according to the remuneration policy of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 5.2. Should the remuneration policy contain a remuneration structure with a variable part it should be linked to previously defined short-term and long-term goals. If remuneration depends on fulfillment of short-term goals only, it is not likely to encourage an interest in the company's growth and improved performance in the long-term. The scope and structure of the remuneration should depend on the business performance of the company, share price and other Issuer's events.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 5.3. In determining remuneration for the Board the Council follows remuneration policy of the Issuer. Evaluation of performance of Board members shall take into account responsibilities of each Board member, economic standing of the Issuer and other indicators that are considered important in the evaluation of the work of the Board.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 5.4. Should the remuneration for the Board member take the form of share options that enable to acquire the Issuer's shares, the Stock Exchange rules regarding distribution of share options should be taken into account.

AS Latvijas Jūras medicīnas centrs do not have share options.

- 5.5. In disclosing information on the total amount of remuneration paid to the Issuer's Board members the Issuer is called on to disclose information on previous years, if possible, in case such an information have not been disclosed before. The disclosure of information on previous years is especially important because it enables investors to evaluate remuneration policy applicable to the members of the Board in the long-term and correlation between development indicators of the Issuer with changes in the remuneration systems.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. Annual Financial Report of AS Latvijas Jūras medicīnas centrs contains information on the aggregate amount of remuneration for board in the relevant and previous financial year.

6. Identification of interest conflicts in the work of board members

Every board member shall avoid any interest conflicts in his/her work and be maximally independent from any external circumstances and willing to assume responsibility for the decisions taken and comply with the general ethical principles in adopting any decisions connected with the business of the Issuer.

- 6.1. It shall be the obligation of every board member to avoid any, even only supposed, interest conflicts in his/her work. In taking decisions, board members shall be guided by the interests of the Issuer and not use the cooperation offers proposed to the Issuer to obtain personal benefit.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 6.2. On the occurrence of any interest conflict or even only on its possibility, a board member shall notify other board members without delay. Board members shall notify on any deal or agreement the Issuer is planning to conclude with a person who has close relationship or is connected with the board member in question, as well as inform on any interest conflicts occurred during the validity period of concluded agreements.

For the purposes of these Recommendations the following shall be regarded as persons who have close relationship with a board member: spouses, a relative, including kinship of second degree or brother-in-law of first degree, or persons with whom the board member has had a common household for at least one year. For the purposes of these recommendations the following shall be regarded as persons who are connected with a board member: legal persons where the board member or a closely related to him/her person is a board or council member, performs the tasks of an auditor or holds another managing office in which he or she could determine or affect the business strategy of the respective legal entity.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 6.3. Board members should not participate in taking decisions that could cause an interest conflict.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

COUNCIL

In compliance with legal acts a council is the institution that supervises the Issuer and represents interests of shareholders between meetings in cases stipulated in the law and in the statutes of the Issuer, supervises the work of the board.

7. Obligations and responsibilities of the Council

The objective of the Issuer's council is to act in the interests of all the shareholders, ensuring that the value of the Issuer grows. The Issuer shall clearly determine the obligations of the council and the responsibility of the council members, as well as ensure that individual council members or groups thereof do not have a dominating role in decision making.

- 7.1. The functions of the council shall be set forth in the council regulation or a document equated thereto that regulates the work of the council, and it shall be published on the Issuer's website on the Internet. This document shall be also available at the Issuer's office.

AS Latvijas Jūras medicīnas centrs partially complies with this recommendation. Council regulation was made available at the issuer's office, but published on the Issuer's website on the Internet in 2009.

- 7.2. Report of the Council appended to the Annual Financial Report should contain general information on the work of the Council in the respective year, information on compliance with principles of corporate governance in the activities of the Issuer in addition to other information deemed necessary by the Council.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 7.3. The supervision carried out by the Council over the work of the board shall include supervision over the achievement of the objectives set by the Issuer, the corporate strategy and risk management, the process of financial accounting, board's proposals on the use of the profit of the Issuer, and the business performance of the Issuer in compliance with the requirements of regulatory acts. The Council should discuss every of the said matters and express its opinion at least annually, complying with frequency of calling Council meetings as laid down in regulatory acts, and the results of discussions shall be reflected in the minutes of the Council's report.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 7.4. The council and every its member shall be responsible that they have all the information required for them to fulfill their duties, obtaining it from board members and internal auditors or, if necessary, from employees of the Issuer or external consultants. To ensure information exchange, the council chairperson shall contact the Issuer's board, inter alia the board chairperson, on a regular basis and discuss all the most important issues connected with the Issuer's business and development strategy, business activities, and risk management.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 7.5. When determining the functions of the Council, it should be stipulated that every Council member has the obligation to provide explanations in case the Council member is unable to participate in Council meetings. It shall be recommended to disclose information on the council members who have not attended more than a half of the Council meetings within a year of reporting, providing also the reasons for non-attendance.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 7.6. Supervision carried out by the Council over the work of the Board is especially important in areas where there is a considerable probability for arising of conflict of interest: appointment of Board members, determination of remuneration for Board members and audit of the activities of the Issuer. In order to promote more effective work of the Council and division of responsibilities among Council members, the Council may establish separate commissions (audit commission, nomination commission, remuneration commission etc.).

The Council of AS Latvijas Jūras medicīnas centrs have not established any commissions until now. Should a need arise for separate commissions the Council may contemplate setting up of such commissions in the future.

- 7.7. Before taking decision on establishing a commission the Council should evaluate possible benefits and expected costs, if such are planned. It is the competence of the Council itself to determine the structure and number of commissions required to optimize its work. The Council should inform shareholders of the Issuer on establishment of commissions, include this information into report and disclose it by publishing on the Issuer's website on the Internet.

AS Latvijas Jūras medicīnas centrs undertakes to comply with this recommendation in case such commissions are established.

- 7.8. Should a decision on establishing of one or more commissions is passed the financing of work of such commissions is possible only within the limits of budget of the Council approved by the general meeting of shareholders. Devolving of separate issues to the commissions should by no means be considered as devolving of the functions of the Council. Commissions of the Council are no substitutes of the Council. Decisions of commissions are of recommendatory nature only. Establishing of commissions does not relieve the Council of responsibility for passed decisions. The task of commissions is to prepare proposals for passing decisions of the Council. Passing of final decisions remains the responsibility of the Council.

The Council of AS Latvijas Jūras medicīnas centrs have not established any commissions until now. Should a need arise for separate commissions the Council may contemplate setting up of such commissions in the future.

8. Council composition and requirements for Council members

The council structure determined by the Issuer shall be transparent and understandable and ensure sufficiently critical and independent attitude in evaluating and taking decisions.

- 8.1. The Issuer shall require every council member as well as council member candidate who is planned to be elected at a shareholders' meeting that they submit to the Issuer the following information: name, surname, year of birth, education, office term as a council member, description of the last three year's professional experience, number of the Issuer's or its parent companies/subsidiaries shares owned by the member, information on positions in other capital companies. The said information shall be published also on the Issuer's website on the Internet, providing, in addition to the said information, also the term of office for which the council member is elected, its position, including also additional positions and obligations, if any.

AS Latvijas Jūras medicīnas centrs complies with this recommendation using information supplied by the Council members.

- 8.2. When determining the requirements for council members as regards the number of additional positions, attention shall be paid that a council member has enough time to perform his or her duties in order to fulfill their duties successfully and act in the interests of the Issuer to a full extent.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 8.3. In establishing the Issuer's council, the qualification of council members should be taken into account and assessed on a periodical basis. The council should be composed of individuals whose knowledge, opinions and experience is varied, which is required for the council to fulfill their tasks successfully.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 8.4. Every council member in his or her work shall be as possibly independent from any external circumstances and have the will to assume responsibility for the decisions taken and comply

with the general ethical principles when taking decisions in relation to the business of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 8.5. It is impossible to compile a list of all the circumstances that might threaten the independence of council members or that could be used in assessing the conformity of a certain person to the status of an independent council member. Therefore, the Issuer, when assessing the independence of council members, shall be guided by the independence criteria of council members specified in the Annex hereto.
- 8.6. It shall be recommended that at least a half of council members are independent according to the independence criteria specified in the Annex hereto. If the number of council members is an odd number, the number of independent council members may be one person less than the number of the council members who do not conform to the independence criteria specified in the Annex hereto.
- 8.7. As independent shall be considered persons that conform to the independence criteria specified in the Annex hereto. If a council member does not conform to any of the independence criteria specified in the Annex hereto but the Issuer does consider the council member in question to be independent, then it shall provide an explanation of its opinion in detail on the tolerances permitted.
- 8.8. The conformity of a person to the independence criteria specified in the Annex hereto shall be evaluated already when the council member candidate in question has been nominated for election to the council. The Issuer shall specify in the Report who of the council members are to be considered as independent every year.

Members of the Council of AS Latvijas Jūras medicīnas centrs have been nominated for election to the Council and operate pursuant to the Commercial Law that sets requirements for independence and impartiality of Council members.

9. Remuneration for the Council members.

In determining remuneration to the Council members for performance of their work, it is necessary to observe the principle of proportionality. The principles for determining should be clear and open.

- 9.1. If a member of the Council receive remuneration for his work it should be provided for in the Issuer's remuneration policy.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. Remuneration for the members of the Council is determined by the general meeting of shareholders.

- 9.2. While reviewing Council report in the regular general meeting of shareholders, it is advisable to give evaluation of the work of the Council. Shareholders evaluate the work of the Council on the basis of report of the Council and other information submitted by the Council that is at the disposal of shareholders and allows for evaluation of quality and utility of the tasks performed by the Council. If evaluation of the work of the Council is performed it should include appraisal of the Council's composition, organization of work and ability to function as a single entity in addition to the assessment of the competence of each member of the Council. It is necessary to evaluate the effectiveness of the work of every Council member and commissions of the Council if there are such commissions. When determining remuneration for the Council members regard should be had to the performed evaluation of the Council.

AS Latvijas Jūras medicīnas centrs complies with this recommendation treating the Council as a single entity.

- 9.3. The amount of remuneration for the Council members should be disclosed in the report. The Issuer should disclose the aggregate amount of remuneration, indicating separately amount of remuneration paid to Council members as salary and showing variable part of remuneration if such exists. The variable part of remuneration is understood as any payments to the Issuer's Council member that is not salary, for example, remuneration that is dependent on financial performance of the Issuer (bonuses), share options that entitle to shares of the Issuer, participation in pension plans etc.

Remuneration paid to the Council members of AS Latvijas Jūras medicīnas centrs is determined by the decision of the general meeting of shareholders and reflected in the Annual Financial Report.

- 9.4. Should the remuneration policy contain a remuneration structure with a variable part in the form of the Issuer's shares or share options, it should be linked to previously defined short-term and long-term goals.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. Variable part of remuneration for the Council members of AS Latvijas Jūras medicīnas centrs is linked to the fulfillment of strategic goals of the group of companies of AS Latvijas Jūras medicīnas centrs as well as achieving of business and financial results in the relevant time period.

- 9.5. In disclosing information on the amount of remuneration paid to the Issuer's Council members the Issuer is called on to disclose information on previous years, if possible, in case such information have not been disclosed before. The disclosure of information on previous years is important because it enables investors to evaluate remuneration policy applicable to the members of the Council in the long-term and correlation between development indicators of the Issuer with changes in the remuneration systems.

AS Latvijas Jūras medicīnas centrs complies with this recommendation. Annual Financial Report contains the information on aggregate remuneration for the Council members in the relevant and previous financial year.

10. Identification of interest conflicts in the work of council members

Every council member shall avoid any interest conflicts in his/her work and be maximally independent from any external circumstances. Council members shall comply with the general ethical principles in adopting any decisions connected with the business of the Issuer and assume responsibility for the decisions taken.

- 10.1. It shall be the obligation of every council member to avoid any, even only supposed, interest conflicts in his/her work. When taking decisions, board members shall be guided by the interests of the Issuer and not use the cooperation offers proposed to the Issuer to obtain personal benefit.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 10.2. On the occurrence of any interest conflict or even only on its possibility, a council member shall notify other council members without delay. Council members shall notify on any deal or agreement the Issuer is planning to conclude with a person who has close relationship or is connected with the council member in question, as well as inform on any interest conflicts occurred during the validity period of concluded agreements.

For the purposes of these recommendations the following shall be regarded as persons who have close relationship with a council member: spouses, a relative, including kinship of second degree or brother-in-law of first degree, or persons with whom the council member has had a common household for at least one year. For the purposes of these

recommendations the following shall be regarded as persons who are connected with a council member: legal persons where the council member or a closely related to him/her person is a board or council member, performs the tasks of an auditor or holds another managing office in which he or she could determine or affect the business strategy of the respective legal entity.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 10.3. A council member who is in a possible interest conflict should not participate in taking decisions that might be a cause of an interest conflict.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

DISCLOSURE OF INFORMATION

Good practice of corporate governance for an Issuer whose shares are included in the market regulated by the Stock Exchange means that the information disclosed by the Issuer has to provide a view on the economic activity of the Issuer and its financial results. This facilitates a justified determination of the price of financial instruments in public circulation as well as the trust in finance and capital markets. Disclosure of information is closely connected with investor relations (hereinafter – the IR), which can be defined as the process of developing Issuer's relations with its potential and existing investors and other parties interested in the business of the Issuer.

11. Transparency of the Issuer's business

The information disclosed by the Issuers shall be provided in due time and allowing the shareholders to assess the management of the Issuer, to get an idea on the business of the company and its financial results, as well as to take grounded decisions in relation to the shares owned by them.

- 11.1. The structure of corporate governance shall be established in a manner that ensures provision of timely and exhaustive information on all the substantial matters that concern the Issuer, including its financial situation, business results, and the structure of owners.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 11.2. The information disclosed shall be checked, precise, unambiguous and prepared in compliance with high-quality standards.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 11.3. The Issuers should appoint a person who would be entitled to contact the press and other mass media on behalf on the Issuer, thus ensuring uniform distribution of information and evading publication of contradictory and untruthful information, and this person could be contacted, if necessary, by the Stock Exchange and investors.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 11.4. The Issuers should ensure timely and compliant with the existing requirements preparation and disclosure of financial reports and annual reports of the Issuer. The procedure for the preparation of reports should be stipulated in the internal procedures of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

12. Investor relations

Considering that financial instruments of the Issuers are offered on a regulated market, also such activity sphere of the Issuers as investor relations (hereinafter – the IR) and the development and

maintaining thereof is equally important, paying special attention to that all the investors have access to equal, timely and sufficient information.

- 12.1. The main objectives of the IR are the provision of accurate and timely information on the business of the Issuer to participants of finance market, as well as the provision of a feedback, i.e. receiving references from the existing and potential investors and other persons. In the realization of the IR process, it shall be born in mind that the target group consists not only of institutional investors and finance market analysts. A greater emphasis should be put on individual investors, and more importance should be attached to informing other interested parties: employees, creditors and business partners.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 12.2. A number of channels shall be used for the information flow in the IR. The IR strategy of the Issuer shall be created using both the possibilities provided by technologies (website) and relations with mass media and the ties with the participants of finance market. Considering the development stage of modern technologies and the accessibility thereof, the Internet is used in the IR of every modern company. This type of media has become one of the most important means of communications for the majority of investors.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 12.3. The basic principles that should be observed by the Issuers in preparing the IR section of their websites:

- 1) The IR section of website shall be perceived not only as a store of information or facts but also as one of the primary means of communication by means of which it is possible to inform the existing and potential shareholders;
- 2) all the visitors of the IR section of website shall have the possibility to obtain conveniently all the information published there. Information on websites shall be published in all the foreign languages in which the Issuer normally distributes information so that in no way would foreign investors be discriminated, however, it shall be taken into account that information must be disclosed at least in Latvian and English;
- 4) It shall be recommended to consider a solution that would allow the existing and potential investors to maintain ties with the Issuer by using the IR section of website – submit questions and receive answers thereto, order the most recent information, express their opinions etc.;
- 5) the information published on websites shall be updated on a regular basis, and the news in relation to the Issuer and its business shall be published in due time. It shall not be admissible that outdated information that could mislead investors is found on websites;
- 6) after the website is created the creators themselves should assess the IR section of the website from the point of view of users – whether the information of interest can be found easily, whether the information published provides answers to the most important questions etc.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 12.4. The Issuer shall ensure that at least the following information is contained in the IR section of website:

- 1) general information on the Issuer - history of its establishment and business, registration data, description of industry, main types of business;
- 2) Issuer's Report ("*comply or explain*") on the compliance with the principles of corporate governance;
- 3) Number of issued and paid financial instruments, specifying how many of them are included in a regulated market;
- 4) information on shareholders' meetings, draft decisions to be examined, decisions adopted – at least for the last year of report ;

- 5) Issuer's statutes;
- 7) Issuer's board or council regulation or a document equated thereto that regulates its work, as well as the Issuer's remuneration policy (or a reference where it is made available) and the shareholders' meeting procedure regulation, if such has been adopted;
- 8) Information on the performance of the Issuer's Audit Committee;
- 9) information on present Issuer's council and board members (on each individually): work experience, education, number of the Issuer's shares owned by the member (as at the beginning of year; the information shall be updated as required but at least annually), information on positions in other capital companies, and the term of office of board and council members;
- 10) Issuer's shareholders which/who own at least 5% of the Issuer's shares; and information on changes of shareholders;
- 11) Financial reports and annual reports of the Issuer prepared in compliance with the procedure specified in legal acts and the Stock Exchange regulations;
- 12) Any other information to be disclosed by the Issuer, e.g. information on any substantial events, Issuer's press releases, archived information on Issuer's financial and annual reports on previous periods etc.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

INTERNAL CONTROL AND RISK MANAGEMENT

The purpose of internal control and risk management is to ensure efficient and successful work of the Issuer, the truthfulness of the information disclosed and conformity thereof to the relevant regulatory acts and business principles. Internal control helps the board to identify the shortcomings and risks in the management of the Issuer as well as facilitates that the council's task - to supervise the work of the board - is fulfilled efficiently.

13. Principles of the Issuer's internal and external control

To ensure successful work of the Issuer, it shall be necessary to plan regular its controls and to determine the procedure of internal and external (audit) control.

- 13.1. To ensure successful operation, the Issuer shall control its work on a regular basis and define the procedure of internal control.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 13.2. The objective of risk management is to ensure that the risks connected with the commercial activity of the Issuer are identified and supervised. To ensure an efficient risk management, it shall be necessary to define the basic principles of risk management. It is recommended to characterize the most essential potential and existing risks in relation to the business of the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 13.3. Auditors shall be granted access to the information required for the fulfillment of the auditor's tasks and the possibility to attend council and board meetings at which financial and other matters are dealt with.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 13.4. Auditors shall be independent in their work and their task shall be to provide the Issuer with independent and objective auditing and consultation services in order to facilitate the efficiency of the Issuer's business and to provide support in achieving the objectives set for the Issuer's management by offering a systematic approach for the assessment and improvement of risk management and control processes.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 13.5. It shall be recommended to carry out an independent internal control at least annually in order to assess the work of the Issuer, including its conformity to the procedures approved by the Issuer.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

- 13.6. When approving an auditor, it is recommended that the term of office of one auditor is not the same as the term of office of the board.

AS Latvijas Jūras medicīnas centrs complies with this recommendation.

REMUNERATION POLICY

14. Remuneration policy of the Issuer

The policy of the remuneration of board and council members – type, structure and amount of remuneration - is one of the spheres where persons involved has a potentially greater risk to find themselves in an interest conflict situation. To avoid it, it is advisable for the Issuer to develop a clear remuneration policy.

- 14.1. The Issuers are called on to develop a remuneration policy in which the main principles for setting the remuneration, possible remuneration schemes and other essential related issues are determined. The drafting of the remuneration policy should be made a responsibility of the Issuer's Council, which during the preparation of a draft policy should consult with the Issuer's board. Remuneration policy or the most important constituent parts of it should be made public just as any other material information linked to the activity of the Issuer.
- 14.2. Variable remuneration schemes which provide for remuneration in the form of Issuer's shares or share options and any material changes in such schemes should be reviewed in the general meeting of shareholders and appropriate decisions must be passed if necessary. In view of the above, the shareholders should be supplied with all the necessary information prior to the meeting.
- 14.3. Remuneration schemes that include Issuer's shares or share options as remuneration may theoretically cause loss to the Issuer's existing shareholders because the share price might drop due to a new issue of shares. Therefore, prior to the preparation and approval of this type of remuneration, it shall be required to assess the possible benefits or losses.
- 14.4. When preparing the remuneration policy, the Issuer shall be obliged to disclose information on how the Issuer plans to ensure the amount of shares to be granted in compliance with the approved remuneration schemes– whether it is planned to obtain them by buying on a regulated market or by issuing new shares.

Remuneration of the management bodies of AS Latvijas Jūras medicīnas centrs is determined pursuant to the Commerce Law, Articles of Association and decisions of the bodies of the company. AS Latvijas Jūras medicīnas centrs do not have share options.