

DRAFT

APPROVED:
24th April 2009
General Meeting of Shareholders of
AB „Rokiškio sūris“

**REGULATIONS FOR THE COMPOSITION AND PERFORMANCE OF THE
AUDIT COMMITTEE OF JOINT STOCK COMPANY „Rokiškio sūris“****1. General provisions**

- 1.1. Regulations for the composition and performance of the Audit Committee (hereinafter – Regulations) are prepared in accordance with the Law on Audit, Article 52, of the Republic of Lithuania in respect with the 15th February 2005 European Commission Regulation 2005/162/EB regarding the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.
- 1.2. The Regulations shall settle the rules identifying rights and duties of the Audit Committee, size of the Audit Committee, cadency of the members on the Audit Committee, requirements for the members in terms of their education, professional experience, principles of independency as applied to an independent member of the Audit Committee, as well as other issues related hereby with the composition and performance of the Audit Committee.

2. Composition and the procedure for establishment of the Audit Committee

- 2.1. Audit Committee is formed of 3 (three) members one of whom is an independent member.
- 2.2. On presentation of the Company, Members of the Audit Committee are elected by the General Meeting of Shareholders.
- 2.3. Cadency of the Audit Committee is four years.
- 2.4. A member of the Audit Committee has a right to resign upon the written notice sent to the Board of Directors fourteen days in advance. The Company's Board of Directors ought to ensure putting the issue on the agenda of the nearest Board meeting in order to elect a new member of the Audit Committee.

3. Requirements for the members of Audit Committee

- 3.1. A member of the Audit Committee may be appointed from non-managing administrative employees with university degree or professional experience in the field of accounting fundamentals, international accounting standards, and the basic management elements of corporate.
- 3.2. One member of the Audit Committee is independent. An independent member is considered to be one who is not related with neither the Company, major shareholder or management in terms of business, cognation or any other relationships subject to conflict of interest or influence on the opinion of the member.

- 3.3. An independent member of the Audit Committee may be a person with university degree and at least five year experience in the field of accounting or audit as well as complying with all requirements for an independent member:
- 3.3.1. the person cannot be a manager of the Company or its related company within 5 (five) latter years;
 - 3.3.2. the person cannot be an employee of the Company or its related company within 3 (five) latter years;
 - 3.3.3. the person cannot be granted with a significant additional payment from the Company or its related company unless it is payment for work in the Audit Committee;
 - 3.3.4. the person cannot be a controlling shareholder, as well as a representative of such shareholder;
 - 3.3.5. the person cannot have currently and could not have within a year important business relations with the Company and its related company neither directly or as a partner, shareholder, manager or administrative employee of a body having such connections. The body having such business connections is considered to be an important supplier of goods or services (including financial, legal, advisory and consultancy services), an important customer or organization, which receives any important payments from the Company or its group;
 - 3.3.6. the person cannot be currently and could not be within 3 (three) last years a partner or employee of the current or former audit company of the Company and its related company;
 - 3.3.7. the person cannot have been holding the function of the Company's Audit Committee member for more than 12 (twelve) years;
 - 3.3.8. the person cannot be a close family member of the Company's manager or person referred herewith by points 3.1-3.6. A close family member is considered to be a spouse (cohabitant), children and parents.
- 3.4. A company as per point 3 related with the Company is considered to be as follows:
- 3.4.1. directly or indirectly controlling the Company or being controlled by it;
 - 3.4.2. may make a significant influence on the Company;
 - 3.4.3. controls the Company in accordance with a conjoined operations contract;
 - 3.4.4. is controlled by the same juridical or physical body (their group) as the Company;
 - 3.4.5. is an associated company;
 - 3.4.6. is a controlled company in accordance with a conjoined operations contract;
 - 3.4.7. is a company accumulating and paying pensions and other payouts upon the end of operations.

4. Rights and responsibilities of the Audit Committee

- 4.1. Rights of the Audit Committee:
- 4.1.1. to receive the Company's information, documentation as far as related with the execution of its duties;
 - 4.1.2. to receive comprehensive information related with the Company's accounting, finance and operations;
 - 4.1.3. to require from the Company to submit explanations and other necessary support in order to make commitments of the Audit Committee.
- 4.2. Responsibilities of the Audit Committee:
- 4.2.1. to supervise the procedure of preparation of the Company's financial accounting;

- 4.2.2. to supervise effectiveness of the Company's internal control, risk management and internal audit systems;
- 4.2.3. to supervise the procedure of auditing the Company;
- 4.2.4. to supervise how the auditor and auditing company follow principles of independency and objectiveness;
- 4.2.5. to perform in the benefit and wellbeing of the Company and its shareholders honestly and with high responsibility;
- 4.2.6. pursue the legal acts of the Republic of Lithuania as well the internal documents and the regulations.

5. Working procedure of the Audit Committee

- 5.1. Audit Committee is a collegial body making resolutions in the meetings. The Audit Committee may adopt resolutions and its meeting is considered to be valid when it is participated by not less than 2 (two) members of the committee. A resolution is considered to be adopted when it is voted in favour by at least two members participated at the meeting of the Audit Committee.
- 5.2. All members of the Audit Committee have a right to summon a meeting of the Audit Committee. The procedure for meetings may be settled by mutual agreement between the members.
- 5.3. Adopted resolutions and other documents of the Audit Committee are made in written form and signed by every member of the Audit Committee. A member of the Audit Committee who disagrees with the resolution may express his/ her opinion individually.
- 5.4. The Audit Committee may invite to its meeting the Company's manager, the Directors of the Board, and Functional directors.
- 5.5. Having approved the members of the Audit Committee, they will elect the Chairman during the first meeting of the Audit Committee.
- 5.6. Members of the Audit Committee may be paid for their work. The payment for the independent member may be established by the Company's general meeting of shareholders or the Board of Directors having such power handled by the general meeting of shareholders.

6. Final conclusions

- 6.1. The Regulations come in effect from the day of their approval.
- 6.2. The Regulations may be changed, and supplemented upon resolution of the Board of Directors.