

The image features a light blue background with a collection of cheese products in the foreground. On the left, there is a stack of three round cheese wheels, with a small triangular wedge on top of the highest one. In the center, a white ceramic pitcher is partially filled with milk. To its right is a rectangular block of cheese. In the foreground, there are several triangular wedges of cheese, some with holes, and a small white bowl filled with soft cheese curds. The text 'ROKIŠKIO SŪRIS' is positioned at the top center, with 'ROKIŠKIO' in a red arch and 'SŪRIS' below it. The main title 'CONSOLIDATED ANNUAL REPORT' is centered in the lower half, with '2014' and 'ROKISKIS MARCH 2015' below it.

ROKIŠKIO
SŪRIS

**CONSOLIDATED ANNUAL
REPORT**

2014

ROKISKIS MARCH 2015

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1. Reporting term of the submitted annual report.

The consolidated annual report is prepared for the year 2014.

2. Key information of the issuer:

Name of the issuer:	Joint stock Company "Rokiskio suris"
Legal base:	Joint Stock Company
Address	Pramonės str. 3, LT 42150 Rokiskis, Republic of Lithuania
Telephone:	+370 458 55 200, fax +370 458 55 300
E-mail address:	rokiskio.suris@rokiskio.com
Website:	www.rokiskio.com
Registered in:	28 th February 1992 by the Authorities of Rokiskis region.
Re-registered in:	28 th November 1995 by the Ministry of Economy of Lithuania
Company code:	173057512
Administration of registry of legal entities:	The State Enterprise Centre of Registry VI "Registru centras"

The authorized capital of AB "Rokiskio suris" equals to LTL 35,867,970.

There are 35,867,970 shares. Nominal value per share equals to LTL 1 (one litas).

3. Information on the issuer's daughter enterprises and subsidiaries

As at 31st December 2014, the consolidated group (hereinafter the "Group") consists of the Parent Company AB "Rokiskio suris", two branches, and five subsidiaries (in 2013: Parent Company AB "Rokiskio suris", two branches, five subsidiaries and one joint venture. The following table provides information on the subsidiaries and branches included into the consolidated financial accounting:

	Actively performing as at 31 st December 2014		Branches	Share of the group (%) as at 31 st December 2014	
	2014	2013		2014	2013
Subsidiaries					
Utenos pienas	Yes	Yes	UAB „Rokiškio pienas“	100.00	100.00
Ukmergės pieninė	Yes	Yes	UAB „Rokiškio pieno gamyba“	100.00	100.00
			PK „Žalmargė“	100.00	100.00
			SIA Jekabpils piena kombinats	100.00	100.00
			SIA Kaunata*	60.00	60.00
			Joint venture		
			UAB „Pieno upės“	-	50.00

*- The subsidiaries are not consolidated with the Group due to their insignificance.

Branches of AB "Rokiškio sūris":

UAB „Rokiskio pienas“ legal address: Pramonės g. 8, LT - 28216 Utena. Company code: 300561844. AB „Rokiškio sūris“ is its founder and the only shareholder having 100 per cent of shares.

UAB „Rokiškio pieno gamyba“ legal address: Pramonės str. 8, LT - 28216 Utena. Company code: 303055649. AB „Rokiškio sūris“ is its founder and the only shareholder having 100 per cent of shares.

Dairy cooperative „Žalmargė“ legal address: Kalnalaukio g. 1, Širvintos. Company code: 178301073.

Latvian company SIA Jekabpils piena kombinats (company code 45402008851, legal address: Akmenu iela 1, Jekabpils, Latvija LV-5201).

Latvian company SIA „Kaunata“ (company code 240300369, legal address Rogs street, Kaunata pag., Rezeknes nov., Latvia).

Subsidiaries of AB "Rokiškio sūris":

AB „Rokiškio sūris“ subsidiary Utenos pienas (Company code: 110856741, Pramonės str. 8, LT-28216 Utena);

AB „Rokiškio sūris“ subsidiary Ukmergės pieninė (Company code: 182848454, Kauno str. 51, LT-20119, Ukmergė).

4. Characterisation of the issuer's basic business

Basic business of the group of "Rokiškio sūris":

- Dairying and cheese production (EVRK 10.51);

AB „Rokiškio sūris“

Basic business of AB „Rokiškio sūris“ is production and sales of fermented cheese, whey products, and skim milk powder.

Branch companies:

Basic business of UAB „Rokiškio pienas“ is sales of fresh dairy products (fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated curds dessert, desserts).

Basic business of UAB „Rokiškio pieno gamyba“ is production of fresh dairy products (fluid milk, kefir, sour milk, butter, curds, fresh cheese, sour cream, chocolate coated curds dessert, desserts).

Basic business of KB „Žalmargė“ is purchase of raw milk.

Basic business of SIA Jekabpils piena kombinats – purchase of raw milk.

Basic business of SIA Kaunata – purchase of raw milk.

Subsidiaries of AB "Rokiškio sūris":

Basic business of AB „Rokiškio sūris“ branches Utenos pienas and Ukmergės pieninė is purchase of raw milk.

5. Contracts with financial brokers

On 24th December 2003, AB „Rokiškio sūris“ made a contract with UAB FMĮ „Baltijos vertybiniai popieriai“ (Gedimino pr.60, Vilnius) regarding administration of shareholders of AB „Rokiškio sūris“. On 15th January 2007, the financial company changed its name into UAB FMĮ „Orion securities“ (A.Tumėno str. 4 , LT-01109 Vilnius).

6. Trade on issuer's securities by stock exchange and other organised markets

35,867,970 ordinary registered shares of AB "Rokiškio sūris". Nominal value per share LTL 1 (one litas). (VVPB symbol RSU1L; ISIN code – LT0000100372). Total nominal value equals to LTL 35,867,970.

AB "Rokiškio sūris" shares are traded on Vilnius Stock Exchange NASDAQ OMX, the shares are included on the Official Trading List. The Company was included on the trading lists on 25th July 1995.

The Company's shares are traded on the comparative index of Baltic countries in OMX Baltic Benchmark.

As from 22nd November 2010, trade by the Company's shares is made in euros on Stock Exchange NASDAQ OMX Vilnius.

7. Authorized capital of the issuer:

As at 31st December 2014, the Authorized capital of AB "Rokiškio sūris" comprised of:

Type of shares	Number of shares	Nominal value, LTL	Total nominal value, LTL	Share of authorized capital (%)
Ordinary registered shares	35,867,970	1	35,867,970	100.00

All shares of AB „Rokiškio sūris“ are paid-up, and they are not subject to any limitations of transference.

8. Limitation on transference of securities:

There are no limitations to be applied to the block of shares or any regulations according to which an agreement with the company or other owners of securities is required.

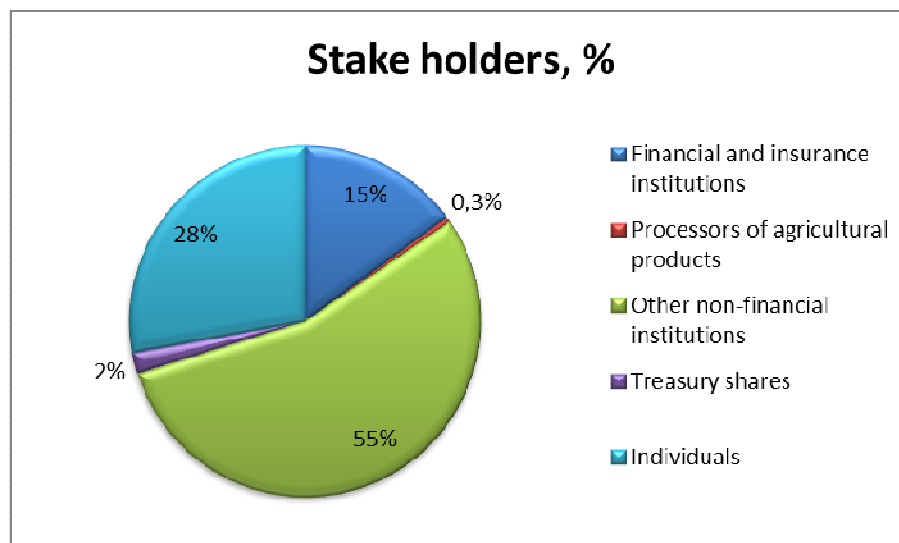
9. Shareholders.

Total number of shareholders (as at 31.12.2014) – 5,502 shareholders.

The shareholders having or owning over 5 percent of the issuer's authorized capital (as at 31.12.2014):

Name, surname Name of company Code of company	Address	Proprietary rights			With associated persons	
		Number of shares	Share of the capital %	Share of votes %	Share of the capital %	Share of votes %
UAB "Pieno pramonės investicijų valdymas" Company code 173748857	Pramonės str. 3, Rokiškis	10,032,173	27.97	28.61	70.47	72.08
SIA "RSU Holding" Reg. Nr.40103739795	Sliezu iela 9A-25, Riga	8,909,347	24.84	25.41	70.47	72.08
Antanas Trumpa	Sodų 41a, Rokiškis	6,199,875	17.29	17.68	70.47	72.08
Swedbank clients Company code 10060701 EE 40003074764 LV	Liivalaia 8, Tallinn Estonia/ Balasta Dambis 1A, Latvia	2,490,741	6.94	7.10	-	-
SEB SA OMNIBUS (fund/inst clients luesse22)	Luxembourg	1,778,605	4.96	5.07	-	-
AB "Rokiškio sūris" Company code 173057512	Pramones str. 3, Rokiškis, Lithuania	802,094	2.24	-	-	-

Distribution of ownership according to holder groups



10. Shareholders' rights

Shareholders have the following non-economic rights:

- 1) to attend the general meetings of shareholders;
- 2) to make advance inquiries addressed to the company in regards with the items on the agenda of general meeting of shareholders;
- 3) based on the rights provided with the shares to vote on the general meetings of shareholders;
- 4) according with Part 1 of Article 18 of the Law on the Joint Stock Companies to obtain information on the company's operations;
- 5) to address the court requesting to bring an action of damages against the company if the damage was caused by noncompliance or inadequate compliance with duties of the company manager and board of directors as stated by the Law on Joint Stock Companies of the Republic of Lithuania or other laws, as well as the Articles of Association and or in any other cases as stated by the Lithuanian Laws;
- 6) other non-economic rights established by the Lithuanian Laws.

Shareholders have the following property rights:

- 1) to receive a certain portion of the Company's profit (dividend);
- 2) to receive a certain portion of the company's funds when its authorized capital is decreased in order to pay out the fund to shareholders;
- 3) to receive shares without payment if the authorised capital is increased from the funds of the Company;
- 4) to have priority in acquiring the newly issued shares or convertible bonds of the Company unless the General Meeting of the Shareholders resolves to waive such right complying with the applicable Law;
- 5) to lend to the Company as determined by the Laws of the Republic of Lithuania, the company however cannot mortgage its assets when borrowing from shareholders. When the company borrows from shareholders the interest cannot exceed the average interest rate of the local commercial banks on the day of contracting. In this case the company and shareholders must not agree regarding the higher rate of interest;
- 6) to receive a portion of assets of the Company in liquidation;
- 7) other property rights established by the Lithuanian Laws.

The rights identified by points 1, 2, 3 and 4 are provided to the persons who were the company's shareholders at the end of the tenth working day after the corresponding general meeting of shareholders.

11. Shareholders with special control rights and description of the rights.

There are no shareholders with special control rights.

12. Overall limitations of voting rights.

As at 31st December 2013, AB „Rokiškio sūris“ owns 802,094 units of own shares. The shares are not assigned with the voting right. It makes 2.24% of the Authorized capital of AB “Rokiškio sūris”. There are no other shares with limited voting rights.

13. Overall agreements between shareholders.

The issuer is not aware of any agreements between shareholders which would restrict transference of securities and (or) voting rights.

14. Employees

Management structure of the Group of AB „Rokiškio sūris“

AB „Rokiškio sūris“ Group’s (hereinafter The Group) management structure is formed in line with the key functions such as Sales, Production, Finance management, Milk procurement, Logistics, Central services, and Development. The Functional Directors condition and develop the Group’s strategy, tactics and targets in accordance with the functions.

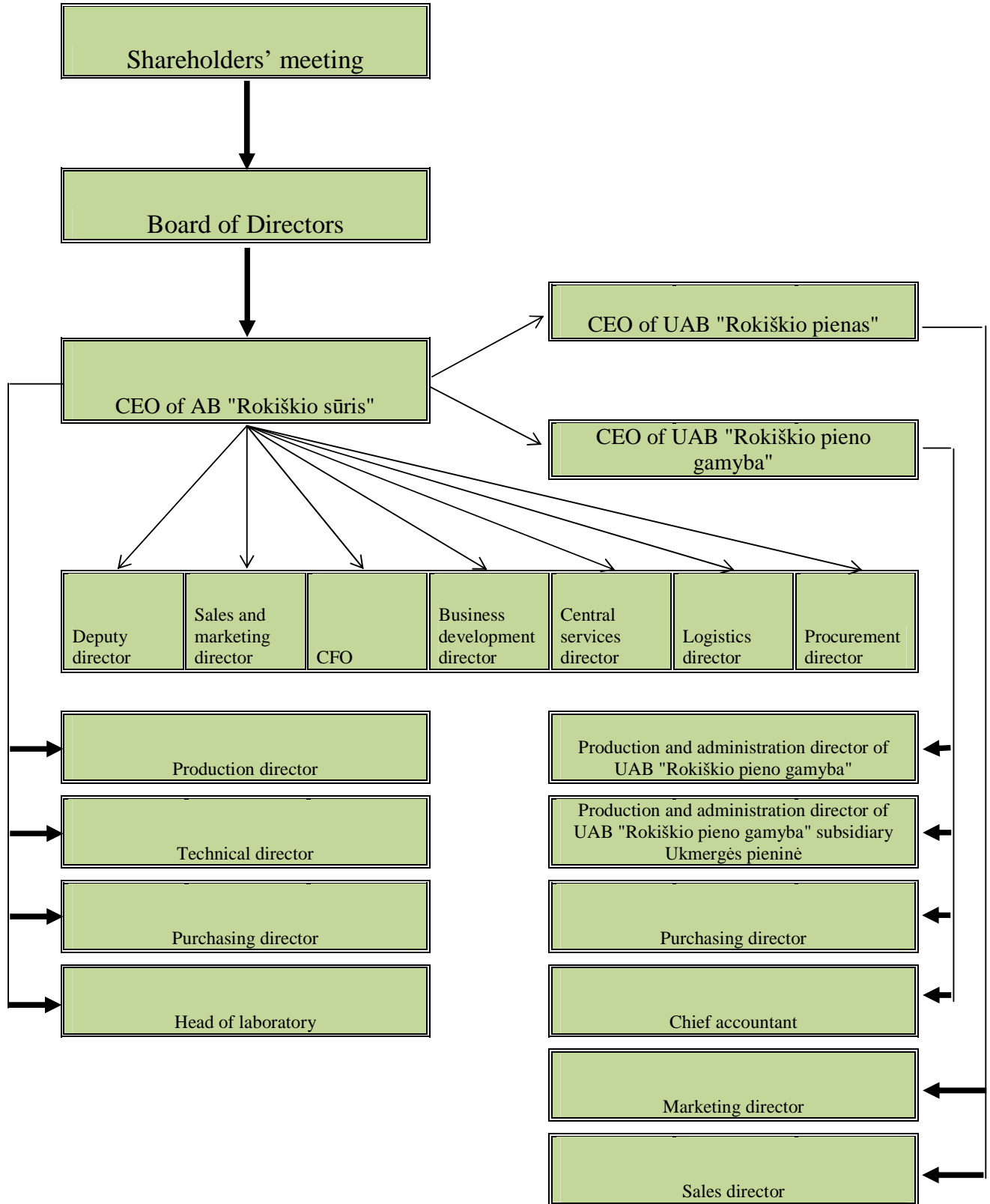
As at 31st December 2014, the number of employees working for the group of AB „Rokiškio sūris“ amounted to 1,665 (average number of employees).

The table shows average number of employees of Rokiškio sūris group and variation of average salaries in 2014:

Average number of employees	2014.12.31	2013.12.31
Total:	1665	1720
Incl. Managers	10	10
Specialists	289	317
Workers	1366	1393
Average monthly salary, Lt	2014.12.31	2013.12.31
Total:	2764	2518
managers	5394	5148
specialists	2914	2573
workers	2628	2428

Education of the employees working for Rokiskio suris

Education	2014.12.31	2013.12.31
University degree	159	160
Vocational school	784	803
High school	708	727
Unfinished high school	14	30



For the top managers of AB „Rokiškio sūris“, training of personnel and development of specific and common skills are the top priorities, as educated employees with proper skills and experience exclusively are capable to create a product of high quality. The company's employees are provided with wide range of opportunities to study and improve their skills at various trainings, seminars and conferences, also the company supports professional studies at the country's universities, colleges or other educational institutions providing degrees of qualification.

Also, the Company arranged some targeted trainings and seminars for farmers in order to enhance their knowledge of animal health and its protection, maintenance of milking equipment as well as milk cooling and storage equipment, and to modernize their dairy farms. A modern dairy farm, raw milk quality and healthy herd ensure successful dairy business.

Employees of both companies have their right to participate in the activities of trade unions. There is a Trade-Union Committee established in the companies which protects the economic and social rights and interests of its members in light of employment, social guarantees, training, professional improvement as well as establishment of professional ethics, and aim to increase income of the food industry employees.

The company has put in practice Labour Deals. The contract is made between the director of AB Rokiskio suris and Trade-Union Committee of AB Rokiskio suris. The main purpose of the contract is to harmonize performance of the collective, and to guarantee better rights and conditions of employment, remuneration, safety and health protection, social guarantees and similar, compared to the ones established by the Laws and other legal documents of the Republic of Lithuania.

Rights and responsibilities of the company employees are provided by Job descriptions. There are no special rights and responsibilities provided by job contracts.

In accordance with the corporate strategy approved by the Board of Directors the Company's key operational targets cover all functional areas such as finance, marketing, procurement, production and control of human resources and their achievements. In order to reach the set targets the company has established an internal control system as well as the Audit Committee. The main functions include analyzing and evaluation, also providing recommendations for improvement of the Company's operational performance. The findings of Audit Committee are presented to the Company's management, and an action plan is prepared accordingly in order to eliminate identified weaknesses.

Both AB "Rokiskio suris" and UAB "Rokiskio pienas" are socially responsible companies ensuring good conditions for the employee work and relaxation as well as supporting lots of the country's events in the field of science, sports, and culture. In October 2012, "Bureau Veritas Lit" performed an audit of UAB "Rokiskio pienas". Consequently, the company was granted the ISO certificate confirming that the system of social responsibility currently effective in the Company was evaluated and it complies with the requirements of management system standard SA8000:2008. At the end of 2013, in the company AB Rokiskio suris it was conducted a 4-Pillar SMETA audit which included Labour Standards, Health and Safety Business Practices and Environment. The SMETA Best Practice Methodology was applied. At the beginning of 2014, the full report will be included into the SEDEX system as soon as the corrective actions improving the identified incorrectness are implemented.

15. Procedure for amendments of the Articles of Association

Pursuing the Articles of Association of AB „Rokiškio sūris“, the Articles may be exclusively changed by the general meeting of shareholders, except the cases provided by the Law on joint stock companies of the Republic of Lithuania. To accept the decision changing the Articles of Association, it is needed 2/3 of votes of total participants in general meeting of shareholders.

16. Transactions with related parties and significant agreements

1. The Group is controlled by UAB „Pieno pramonės investicijų valdymas“ (established in Lithuania), SIA “RSU Holding” (established in Latvia) and Antanas Trumpa (Director of the Company) who altogether own 68.24 per cent of the Company’s Authorized Capital. The Closed Joint stock Company „Pieno pramonės investicijų valdymas“ is controlled by Antanas Trumpa (as a major shareholder). SIA “RSU Holding” is controlled by Antanas Trumpa (as a major shareholder). The rest part of 28.30 per cent of the company’s shares belongs to various minor shareholders in Lithuania and foreign countries. The company has acquired 802,094 own shares (2.24 per cent). The major shareholders of AB Rokiskio suris owning more than 5 per cent of the company’s authorized capital are identified at point 9 of the report.

UAB „Pieno pramonės investicijų valdymas“, SIA “RSU Holding” and members of the Board of Directors and their family members are considered to be related parties.

Some cooperative companies directed to milk production are considered as related parties also, because the Company may have significant influence on them through close relatives of the directors and some employees.

2. There are no significant agreements whose one party is the issuer and which would get in power, change or terminate upon the changed issuer’s control as well as there is no such influence except the cases when the disclosure of certain agreements would make significant damage on the issuer.

3. There are no agreements between the issuer and its members or employees providing any compensation upon their resignation or dismissal from job without reliable reason or in case of job termination due to the change issuer’s control.

Transactions with related persons/ parties are disclosed in Remark 33 (page 49) of Financial accounting.

17. Key characteristics of the securities launched to the public trading:

As at 31st December 2014, it was launched to the public trading 35,867,970 (thirty five million eight hundred sixty seven thousand nine hundred seventy) ordinary registered shares. Nominal value equals to LTL 1 (one litas) per share, total nominal value of shares is LTL 35,867,970 (thirty five million eight hundred sixty seven thousand nine hundred seventy litas).

18. Securities listed on the official trading list

The 35,867,970 ordinary registered shares of AB “Rokiškio sūris“ are listed on the **Official List of NASDAQ OMX Vilnius Stock Exchange**. (VVPB symbol RSU1L). Nominal value per share 1 (one) litas.

The Company has not issued any debt securities for the public stock trading.

The Company has not issued nor registered any debt securities for the non-public stock trading.

There are no securities which would not participate as a part of the Authorized Capital and be regulated by the Law on Securities.

The shares were not traded by other stock exchanges or similar regulated markets. As from 22nd November 2010 the trade on stock markets is performed in euros.

Trade by shares of AB Rokiskio suris on NASDAQ OMX Vilnius Stock Exchange Vilnius Stock Exchange:

Trade on central market:

Reported period		Price (Eur)				Turnover (Eur)			
from	to	max	min.	aver.	Last session	Date of last trading session	max	min	Last session
2012.01.01	2012.03.30	1.388	1.29	1.360	1.359	2012.03.30	118,945.00	0	0
2012.04.01	2012.06.30	1.40	1.25	1.36	1.360	2012.06.29	108,953.50	0	4,128.00
2012.07.01	2012.09.30	1.40	1.30	1.37	1.40	2012.09.28	641,665.74	0	1,158.70
2012.10.01	2012.12.31	1.47	1.33	1.37	1.40	2012.12.28	390,622.20	0	1,950.00
2013.01.01	2013.03.28	1.59	1.39	1.46	1.57	2013.03.30	77,386.93	0	4,671.62
2013.04.01	2013.06.28	1.63	1.44	1.49	1.50	2013.06.28	335,690.00	0	5,992.78
2013.07.01	2013.09.30	1.64	1.48	1.57	1.64	2013.09.30	93,753.10	0	93,753.10
2013.10.01	2013.12.31	1.62	1.50	1.55	1.59	2013.12.30	265,880.80	0	1,162.22
2014.01.01	2014.03.31	1.74	1.59	1.68	1.70	2014.03.31	106,298.00	0	0
2014.04.01	2014.06.30	1.70	1.55	1.59	1.65	2014.06.30	813,077.60	0	907.50
2014.10.01	2014.12.31	1,57	1,38	1,50	1,38	2014.12.30	69 146,00	0	814,20

Trade by the shares of AB "Rokiškio sūris" within January-December 2014

Price EUR



Data source – website of AB NASDAQ OMX Vilnius:

<http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&date=&start=01.01.2014&end=31.12.2014>

Trade by the shares of AB "Rokiškio sūris" within January-December 2013

Price EUR



Data source – AB NASDAQ OMX Vilnius website:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&date=&start_d=1&start_m=1&start_y=2013&end_d=31&end_m=12&end_y=2013

Trade by the shares of AB "Rokiškio sūris" within January-December 2012

Price EUR



Data source – AB NASDAQ OMX Vilnius website:

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000100372&list=2&date=2013-04-02&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&start_d=1&start_m=1&start_y=2012&end_d=31&end_m=12&end_y=2012

19. Capitalization of securities.

from	to	Total turnover		Date of last trading session	Capitalisation (Eur)
		(units)	(Eur)		
2011.01.01	2011.03.31	482 039	817 582.95	2011.03.31	62 768 948
2011.04.01	2011.06.30	791 936	1 246 500.83	2011.06.30	51 649 877
2011.07.01	2011.09.30	821 016	1 152 527.70	2011.09.30	50 215 158
2011.10.01	2011.12.30	1 192 435	1 498 010.23	2011.12.30	46 556 625
2012.01.01	2012.03.31	189 564	257 712.33	2012.03.31	48 744 571
2012.04.01	2012.06.30	228 464	310 179.89	2012.06.29	48 780 439
2012.07.01	2012.09.30	835 557	1 142 089.88	2012.09.28	50 215 158
2012.10.01	2012.12.31	525 165	717 997.30	2012.12.28	50 215 158
2013.01.01	2013.03.31	265 841	389 055.13	2013.03.30	56 312 713
2013.04.01	2013.06.30	675 596	1 005 631.66	2013.06.28	53 801 955
2013.07.01	2013.09.30	358 981	562 423.85	2013.09.30	58 823 471
2013.10.01	2013.12.31	743 434	1 154 134.97	2013.12.30	57 030 072
2014.01.01	2014.03.31	381 601	340 913.17	2014.03.31	60 975 549
2014.04.01	2014.06.30	708 846	1 124 285.96	2014.06.30	59 182 150
2014.07.01	2014.09.30	410 778	629 526.69	2014.09.30	55 595 354
2014.10.01	2014.12.31	103 884	155 655.60	2014.12.30	49 497 799

Capitalisation of the company's securities within 2011-2014, Eur



Turnover of the company's securities in 2011-2014 (units and Eur)



Baltic market indexes: (2014.01.01-2014.12.31)



Data of the chart:

Index/Equity	01.01.2014	31.12.2014	+/--%
OMX Baltic Benchmark GI	613.50	566.56	-7.65
OMX Vilnius	421.60	452.42	7.31
OMX Baltic Benchmark PI	369.35	328.61	-11.03
RSU1L	1.590 EUR	1.380 EUR	-13.21

Share price DIAGRAM: AB „Rokiškio sūris“ (RSU1L), AB “Pieno žvaigždės“ (PZV1L), AB „Žemaitijos pienas“ (ZMP1L) and AB „Vilkyškių pieninė“ (VLP1L):

Baltic market indexes:

(2014.01.01-2014.12.31)



Index/Equity	01.01.2014	31.12.2014	+/-%
RSU1L	1.590 EUR	1.380 EUR	-13.21
VLP1L	1.570 EUR	2.000 EUR	27.39
ZMP1L	0.774 EUR	0.703 EUR	-9.17
PZV1L	1.870 EUR	1.550 EUR	-17.11

20. The Group’s consolidated and parent company’s audited financial accounts for the year 2014

The Group’s consolidated and parent company’s audited financial accounts for the year 2014 are provided.

21. Information on purchase of issuer’s own shares

During the financial year 2014, AB „Rokiškio sūris“ has not bought any own shares. The currently owned treasury shares (802,094 ordinary registered shares) were bought via Stock Exchange NASDAQ OMX Vilnius, which is affecting the submarket of official tender offer. It was paid LTL 3,865,000 for the shares. The shares make 2.24 per cent of the company’s authorized capital. The company does not have the right to employ property and non-property rights using the own shares as stated by the Law on Joint Stock Companies.

22. Legal grounds of the issuer’s performance

The performance of AB “Rokiškio sūris“ is guided by the Law on Joint Stock Companies of the Republic of Lithuania, the Law on Securities, the Company’s Articles of Association and other legal documents valid in Lithuania and applied to company practice.

23. Belonging to the associated organizations

AB "Rokiškio sūris" is a member of the Lithuanian Dairymen Association "Pieno centras". Moreover, it participates in the activities of the Chamber of Commerce, Industry and Trade of Panevezys. The activities of the Lithuanian Dairymen Association are regulated by the Law on Associations of the Republic of Lithuania and by the Confederation Regulations.

On 20th February 2010 AB „Rokiskio suris“ established an association together with other processors of agricultural production. The activities of the Association are regulated by the Law on Associations of the Republic of Lithuania, articles of association and other legal acts.

In the beginning of 2015, AB „Rokiškio sūris“ became a member of Rokiskis business club. The club unites large and small businesses of the region of Rokiskis, and it aims to improve business conditions in the region with an active support of governing bodies of the region.

24. Brief description of the issuer's history



AB "Rokiškio sūris" is one of the largest and most modern dairy production companies in Lithuania. The main activity of the company is production and sales of fermented cheese, fresh dairy products, butter, milk powders, whey and other milk products.

Specialized "Rokiškio" cheese production was planned and started to build in 1964, whereas at the beginning of 1966 the company started its work. From the very beginning of the company's business fermented cheese became its main product. In 1980 the company started the first reconstruction phase by putting into action a new cheese production department. The second reconstruction phase was in 1988 when the construction of new milk receiving machinery and full cream milk production departments was completed. In 1991 a new Finnish cheese maturation base was put into action.

In 1992, the state-owned enterprise "Rokiškio sūrio gamykla" was privatized and reorganized into a joint stock company "Rokiškio sūris". In 1993 the remaining governmental enterprise shares were sold. Following the decisions of the Government, in 1994 the company indexed its property. During the period from 1993 to 2002 the company's share capital increased 7 times with the help of additional contributions, 2 times thanks to own means and 3 times due to reorganization. In 2000, after affiliation of AB "Utenos pienas", and in 2002, after affiliation of "Eišiškių pieninė" the authorized capital was no longer increased.

In 1997, 150 000 of nominal equity were distributed in the form of international depository notes (GDR).

To secure constant material supply and to strengthen its position in the local market, AB "Rokiškio sūris" affiliated "Zarasų pieninė" in 1995, in 1996 – "Ukmergės pieninė", in 1998 "Šalčininkų pieninė", in 2000 "Utenos pienas" and in 2002 – "Eišiškių pieninė". In all these dairies the company created its subsidiary companies.

In the months of November and December, 2000 AB "Rokiškio sūris" increased the share portfolio of AB "Švenčionių pieninė" up to 90.6%.

In December, 2000 AB "Rokiškio sūris" acquired 49.9% of AB "Eišiškių pieninė" share portfolio, whereas in March, 2002 AB "Rokiškio sūris" increased the share portfolio of AB "Eišiškių pieninė" up to 100% of authorized capital and votes.

In March, 2001 AB "Rokiškio sūris" purchased 49.9% of AB "Varėnos pieninė" share portfolio.

In October, 2001 AB "Rokiškio sūris" purchased 49.9% of AB "Ignalinos pieninė" and 100% UAB "Jonavos pieninė" share portfolio. On 1st of June, 2005 AB "Rokiškio sūris" sold the share portfolio of AB "Varėnos pieninė" and AB "Ignalinos pieninė".

On 26th April, 2002 at the general shareholder meeting of AB "Rokiškio sūris" the decision to reorganize the enterprises was made. It was decided to affiliate AB "Eišiškių pieninė" and UAB "Jonavos pieninė"; that is, the enterprises stopped functioning as legal persons.

On 4th July, 2002 AB "Rokiškio sūris" Board decided to stop the activities of AB "Rokiškio sūris" subsidiary company "Šalčininkų pieninė" and to sign it out from the Enterprises' Register.

On 30th December, 2002 the subsidiary company of AB "Rokiškio sūris" "Šalčininkų pieninė" was signed out from the Enterprises' Register of the Republic of Lithuania.

On 6th September, 2002 at the general meeting of AB "Rokiškio sūris" shareholders the following decisions were made: reorganization of AB "Rokiškio sūris", AB "Eišiškių pieninė" and UAB "Jonavos pieninė" was terminated; AB "Eišiškių pieninė" and UAB "Jonavos pieninė" property, rights and responsibilities acceptance and transfer acts were confirmed. AB "Eišiškių pieninė" and UAB "Jonavos pieninė" terminated their activities as legal persons and they were signed out from the Enterprises' Register.

On 14th November, 2002 AB "Rokiškio sūris" Board decided to establish a subsidiary company "Eišiškių pieninė". On 6th December, 2002 AB "Rokiškio sūris" subsidiary company "Eišiškių pieninė" was registered into the Enterprises' Register. On 29th October, 2005 AB "Rokiškio sūris" Board decided to terminate the subsidiary company's activities. In April, 2006 the subsidiary company "Eišiškių pieninė" was signed out from the register of legal persons.

On 14th February, 2003, following the decision of AB "Rokiškio sūris" Board, the activities of AB "Rokiškio sūris" subsidiary company "Zarasų pieninė" were terminated. On 26th June, 2003 "Zarasų pieninė" was signed out from the Enterprises' Register of the Republic of Lithuania.

On 20th August, 2003 AB "Rokiškio sūris" bought 12 units of UAB "Kalora" nominal equity, which composed 100% of UAB "Kalora" authorized capital. In October, 2005 AB "Rokiškio sūris" sold these shares.

On 18th February, 2005 an insolvency case with creditors, without the court process, was raised against AB "Švenčionių pieninė". On 29th April, 2005, due to its bankruptcy, AB "Švenčionių pieninė" was signed out from the register of legal persons.

On 14th June, 2005 AB "Rokiškio sūris" sold 410,330 units of AB "Žemaitijos pieno investicija" shares, that is, 11.63% of AB "Žemaitijos pieno investicija" authorized capital.

On 3rd March 2006, in order to achieve more effective fresh dairy production results, AB "Rokiškio sūris" Board decided to separate export-oriented cheese production business from fresh dairy production business oriented to the local market. For this reason a new subsidiary

company was established. On 21st April, 2006 a subsidiary company UAB "Rokiškio pienas" was registered into the register of legal persons. The subsidiary is totally owned by AB "Rokiškio sūris".

After termination of the activities of subsidiary Eišiškių pieninė on 5th April 2006 the subsidiary of AB „Rokiškio sūris“ Eišiškių pieninė was registered out from Juridical Register of the Republic of Lithuania.

In the year 2007, AB „Rokiškio sūris“ acquired 50 per cent of UAB „Pieno upės“ shares and 100 per cent of each of the following companies: UAB "Skeberdis ir partneriai", UAB „Skirpstas“, UAB „Batėnai“, UAB „Pečupė“ and PK "Žalmargė". The main activity of the companies is purchase of raw milk.

In 2009, UAB "Skeberdis ir partneriai" and UAB „Pečupė“ were liquidated and registered out of the Registry of Legal Entities. In 2010, shares of UAB „Batėnai“ were sold.

In March 2011, UAB „Skirpstas“ was liquidated and registered out of the Registry of Legal Entities.

In January 2008, AB „Rokiškio sūris“ acquired 50.05 per cent of block of shares of Latvian company SIA Jekabpils piena kombinats. SIA Jekabpils piena kombinats specializes in production of fermented cheese and sales of raw milk. In May 2011, the Company acquired the rest part of the shares of SIA Jekabpils piena kombinats which amounted to 49.95 per cent.

AB "Rokiškio sūris" owns 100 per cent of the Latvian company SIA Jekabpils piena kombinats.

In July 2008 the company acquired UAB "Europienas" whose main business is purchase of raw milk. In 2009, UAB "Europienas" was liquidated and registered out from Registry of Legal Entities.

In May 2010, the company acquired 40 per cent of the shares of Latvian company SIA „Kaunata“.

On 29th April 2013 AB „Rokiskio suris“ as a single shareholder of UAB "Rokiškio pienas" adopted a resolution regarding implementation of separation of UAB „Rokiskio pienas“ – approved the separation conditions of UAB „Rokiskio pienas“ and approved the articles of association of UAB „Rokiskio pienas“ who is continuing its operations after separation and a newly established UAB „Rokiskio pieno gamyba“. The company is mainly performs in the field of dairy product production.

Separation of the companies will ensure more effective performance of the group and achievement of better operational results.

On 2nd May 2013, the new company UAB „Rokiskio pieno gamyba“ was registered in the Registry of Legal Entities.

On 24th April 2014, AB „Rokiškio sūris“ sold its 50% block of shares of UAB „Pieno upės“. The block of shares was sold in accordance with a long-term contract of shareholders after the other part expressed its will to purchase the shares. UAB „Pieno upės“ is in the activity of raw milk purchasing.

The information on the subsidiaries of AB „Rokiškio sūris“ is provided at point 3 of the report.

25. Production, description of production capacities, and implementation of new products

The Group's production is developed in the towns of Rokiškis (AB „Rokiškio sūris“), Utena (UAB „Rokiškio pienas“) and Ukmergė (UAB „Rokiškio pienas“ subsidiary „Ukmergės pieninė“).

A new subsidiary Rokiskio pieno gamyba UAB was established in order to optimize the group's performance and to reach better results. A part of Rokiskio pienas UAB, which continues its operations of product distribution, is separated and a new company Rokiskio pieno gamyba UAB with equal legal form is established on the basis of the assets, rights and obligations assigned to this part of the company, and the main business of the new subsidiary is production of dairy products.

The Group's production is developed in the towns of Rokiškis (AB „Rokiškio sūris“), Utena (UAB „Rokiškio pieno gamyba“) and Ukmergė (UAB „Rokiškio pieno gamyba“ subsidiary „Ukmergės pieninė“).

- Specialization of Rokiskis production plant – production and sales of fermented cheese and whey products.
- Specialization of Utena production plant – fresh dairy products for the local market, whey protein concentrate, milk powder and butter production.
- Specialization of Ukmergė production plant – curd and curd cheese production.
- Specialization of Rokiskio pienas UAB – sales of the Group's products in Lithuania, Latvia and Estonia.

In 2014, the group's companies pursued a programme of production maintaining the production volumes similar to previous periods.

The Companies are highly concerned about food safety and quality issues in order to satisfy customer needs and comply with the environmental requirements. The Company AB "Rokiškio sūris" was the first in Lithuania who was certified in accordance with the Quality management and Environment management systems (ISO 9001:2008, ISO 14001:2004, ISO 22000:2005). The company's laboratory is accredited in accordance with the international standard LST EN ISO/IES 17025.

Following the requirements of those standards, the company implemented rules which ensure production of steady, uniform, qualitative and safe produce aiming to improve overall effectiveness of environment protection, and following the company's politics. The system covers all processes from raw milk purchase to the service of end customers.

The systems are reviewed periodically and improved in order to maintain high quality of production, and to supply customers with qualitative wide range production.

The most important aspect of the companies' performance is food safety. In order to reach higher level of food safety effectiveness the company in Rokiskis improved the food safety system and in 2013 it was certified in accordance with the scheme for certification of food safety systems FSSC 22000. The system covers ISO 22000:2005 and ISO/TS 22002-1:2009 as well as additional requirements. The food safety scheme is recognized by the Global Food Safety Initiative GFSI, and it can replace some other previously recognized food safety standards such as BRCm IFS and SQF. In 2012, the Utena plant implemented and certified the social responsibility standard SA8000.

AB „Rokiškio sūris“



The key activity of AB Rokiskio suris is production fermented cheese. The cheese produced by the company comprises of fresh, semi-hard and hard cheese. The group of fresh cheese includes Cagliat (various fat content and weight), Mozzarella. The group of semi-hard cheese includes the following products: Rokiškio sūris (various fat content and weight), Saulės sūris, Lietuviškas, Gouda, Sūris „Visiems“, „Naminis“, „Žaloji karvutė“ etc., whereas Kietasis suris (various fat, moisture content and weight), “Montecampo“ and “Gojus“ belong to the hard cheese type. The production of long term maturing hard cheese ROKISKIO GRAND was implemented in assistance with an Italian cheese expert prof. Angelo Frosio.

In the international food industry exhibition in Moscow PRODEXPO'2014 which took place on 10th-14th February, 2014, a new product of Rokiskio suris AB – the hard grating cheese “Rokiskio GRAND” – was nominated as the best product in the International Competition THE BEST PRODUCT'2014 which was organized by the Central Tasting Committee of the Russian Ministry of Agriculture and a company Agroexposervice. Rokiskio GRAND was granted a gold medal in this competition.

In an exhibition AgroBalt 2014, the hard cheese „Rokiškio Grand“ was granted a gold medal.

Besides the main production of fermented cheese, AB "Rokiškio sūris" produces liquid whey protein concentrate (WPC-34 and WPC-45) which is followed by the production of WPC powder, and also milk sugar (lactose), processed cheese, and smoked cheese.

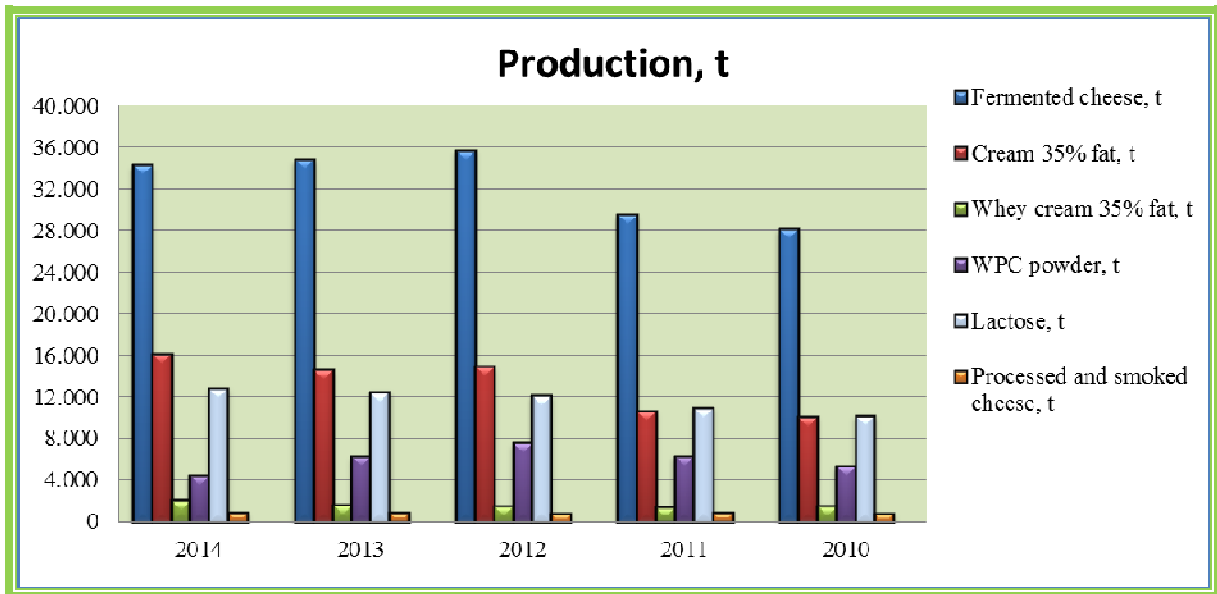
In 2014, the production of fermented cheese decreased by 1.5 per cent compared to 2013. This mainly was caused by volume changes in some groups of cheese, e.g the production of hard cheese increased by 11.4 per cent yet the production of other cheeses decreased and this made the total figures less. Production of hard cheese consumes higher volumes of raw milk. 1.5 times as much compared to other cheeses.

Production of lactose increased by 3 percent in 2014. The company is implementing a project of instant WPC, and the first production was made in the end of 2014.

The following table and chart represent changes in the production of AB „Rokiškio sūris“ within 5 latter years:

Production / Year	2014	2013	2012	2011	2010
Fermented cheese, t	34.295	34.807	35.751	29.508	28.142
Cream 35% fat, t	16.153	14.558	14.969	10.642	10.099
Whey cream 35% fat, t	2.033	1.612	1.503	1.347	1.542

WPC powders, t	4.479	6.224	7.515	6.313	5.339
Lactose, t	12.878	12.510	12.146	11.039	10.190
Processed and smoked cheese, t	875	815	797	820	798



Volumes of by products such as cream, WPC and milk sugar directly depended on the volumes of the production of fermented cheese. Volumes of WPC and milk sugar were also influenced by the whey bought from other dairies.

Packaging costs had been increasing due to the variety in the packaging types.

The main factor which caused the increased cost was higher prices of raw milk. In addition, it was influenced by the increase of prices of power resources as well as the increase in quantities.

UAB „Rokiškio pieno gamyba“



UAB „Rokiškio pieno gamyba“ specializes in the production fresh dairy products, i.e. fluid milk, sour milk, kefir, cream, curds and fresh cheese, chocolate coated cheese bars, yogurts, butter, for the local market, also the company provide service to AB „Rokiškio sūris“ producing the products for expert such as butter, cream, WPC (whey protein concentrate) 34 and 80, and skim milk powder.

In 2013, UAB „Rokiškio pieno gamyba“ launched a new line of yogurt production. This is a new type of yogurt in Lithuania in whose production no sugar is used and the sweetness comes from fruits only.

Heavy investments were made in the production of dry products. A new modern line for the production of WPC 80 was installed, and the technology of this product was successfully

mastered. The production of those products was implemented cooperating with the largest dairy company of New Zealand Fonterra.

In 2014, production of instant WPC80 was started. Also, the facilities were upgraded with a new, modern compressor room. The plant's raw milk reception facilities undergone major repairs.

Production according to groups, in tons:

Production / Year	2014	2013	2012	2011
Fresh dairy products, t	55.428	64.606	62.772	61.880
Butter and fat blends, t	7.960	5.576	4.101	2.865
Dry milk products, t	8.721	6.537	8.442	7.360

In 2012, UAB „Rokiškio pienas“ implemented a new Standard of social responsibility SA8000. The Standard covers requirements for a company which employs expertise in order to demonstrate its socially responsible attitude to employment conditions.

Purpose of Standard SA8000 is to establish requirements based on international norms related with human rights and national legislation concerning employment in order to secure all employees throughout the management chain, as well as all other employees who produce goods or supply services to the company, including the employees hired directly by the company, and its suppliers and subcontractors.

Keeping in line with the standard's requirements the company will be able to:

- create, maintain and implement the politics and procedures related with the issues being in its control or sphere of influence.
- demonstrate to the third parties that the company's politics, procedures and practices conform to the standard requirements.

Politics of the company:

The company's business operations are based on human and employee rights recognized internationally. We endeavor honest and honorable treatment of all employees. We expect and seek our suppliers and subcontractors as well as further chain of supply to follow similar rules. We believe that the dialogue between the employer and employees is and can contribute to the sustainable success for the company and its employees.

Fundamentals of social responsibility:

Accountability (for impact on the society, economics, and environment);

Transparency (decisions and the operations influencing the society and environment);

Ethical conduct;

Honor in regards with the third parties' interests (hear and react);

Honor the superiority of laws;

Follow the international conduct norms;

Honor human rights.

Subsidiary of UAB „Rokiškio pieno gamyba“ Ukmergės pieninė



Specialization of Ukmerge production plant –production of curds, flavoured fresh cheeses, curd cheese, chocolate coated cheese bars, processed cheese, fermented cheese and soft non-matured cheese. In order to implement the set targets the plant was modernized including the technological process.

In 2013, there were equipped new facilities for the production of fermented cheese, including brining room, wrapping in film, and maturing room. All the technological equipment was mounted, and the piping system was equipped as well. There is a new cleaning line for the cleaning and disinfection of cheese moulds. All the plant production supervisors were trained for the procedures of milk preparation, brining and maturing. In June, the plant started production of fermented cheese namely semi hard cheese Rokiskio suris 45% in dm of 1kg

each piece. In June 2013, the subsidiary launched a series of new chocolate coated cheese bars NAMINUKAS of 5 flavours: vanilla, berries, caramel, condensed milk and with poppyseed. The new equipment was installed: a freezer to cool chocolate, pre-press for preparation of curds when producing cheese bars.

Group of products	2014	2013	2012	2011
Curds and curd products	4,648	5,353	5,228	5,094
Fermented cheese	107	83	-	-
Total production in tons:	4,755	5,436	5,228	5,094

In 2014, UAB „Rokiškio pieno gamyba“ subsidiary Ukmergės pieninė started production of fermented cheese Rokiškio mini. The weight of each piece is 400g and it is covered with wax.

The plant was approved by the Ministry of Agriculture of the Republic of Lithuania for the production of Lithuanian curd cheese with geographical protection in accordance with the EC Register No. 510/2006 regarding protection of geographical an original places of agricultural and food products. The Lithuanian curd cheese was assigned with a logo of Geographical Indication.

26. Sales and marketing

The biggest part of production is exported. As before, the main direction of export is European Union (mainly Italy, Germany, Poland) and Russian markets.

In 2014, export of WPC to N.Zealand raised by 80 per cent. In 2014, the company started export of hard cheese to Spain and Israel.

The biggest part of exported production is fermented cheese and dry products. Sales of hard cheese increased by 4 percent in 2014 compared to 2013.

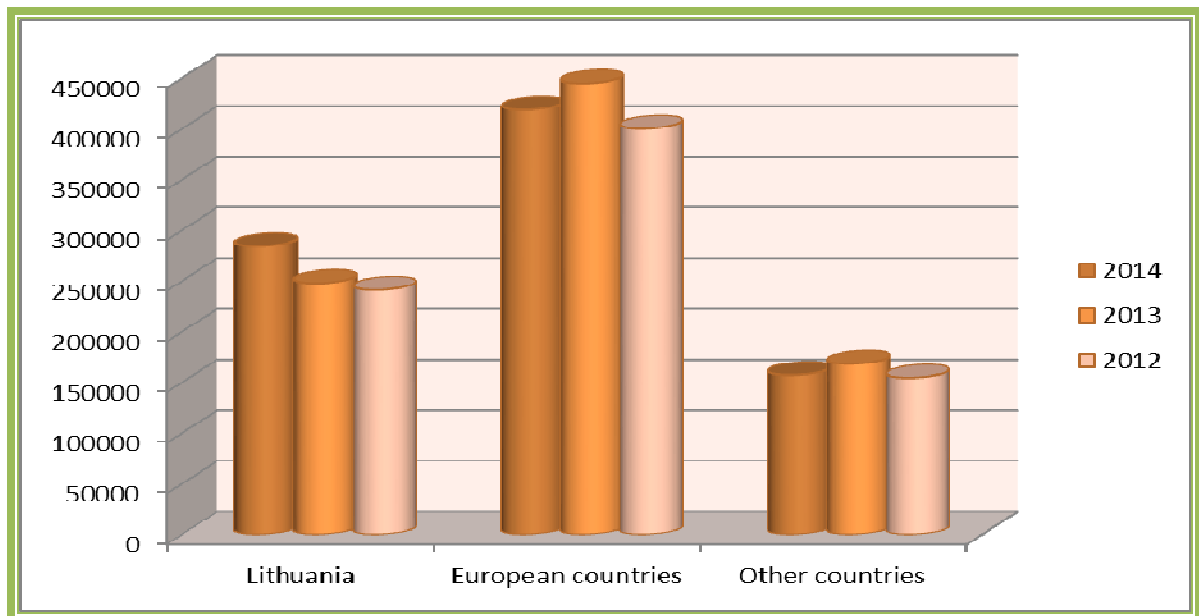


After Russian dairy embargo, the company took other directions to new markets. One of them is the market of United States to which the company exports its hard cheese.

The Group's export sales of traditional products such as butter, cream, milk powder and by-products (Whey protein concentrate and lactose) are increasing.

Sales markets 2014-2013-2012

Countries	Sales					
	2014		2013		2012	
	k LTL	%	k LTL	%	k LTL	%
Lithuania	284,307	33.03	247,947	28.79	241,387	30.31
European countries	418,839	48.67	445,011	51.66	400,368	50.27
Other countries (incl. USA and Japan)	157,467	18.30	168,397	19.55	154,652	19.42
Total	860,613	100	861,355	100	796,407	100



The consolidated audited sales of 2014 of AB „Rokiškio sūris“ Group made LTL 860.613 million (EUR 249.251m), i.e. 0.09 per cent less than during the same period of last year. The consolidated sales of the same period of 2013 made LTL 861.355 m (EUR 249.466 m).

After the 6th August 2014 Decree of the President of Russian Federation putting embargo on imports of agricultural products, the company ceased its exports to Russian market. The sales of AB „Rokiškio sūris“ products to the Russian market made 10-15% of overall sales. The Group however managed to maintain the same level of sales as last year despite the fall of export prices of the main dairy products by 40 per cent. The Russian embargo on import of food products from the EU (herewith Lithuania) and dramatic decrease of export prices however affected the profit results of the Group very much. The company could not abandon selling unprofitably in the export markets as it had to pursue its commitments to farmers and to purchase contracted volumes of raw milk.

Within 12 months of 2014, the Group of AB „Rokiškio sūris“ made a consolidated audited net loss of LTL 1.324m (EUR 0.383m). In 12 months 2013, the Group made LTL 32.785m (EUR 9.495m) of consolidated audited net profit.

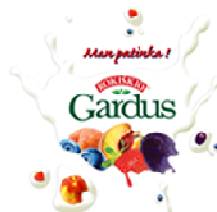
Rokiškis group is one of the dairy leaders on the local market with market share of over 20 per cent. The company distributes its production throughout the local chains. In Lithuania Rokiškis is famous for its cheese and also other fresh dairy products such as kefir, fluid milk, sour cream, butter, curd products, yogurts, chocolate coated curd bars.

The company owns a range of strong brands targeted to various customer groups, the brands are perceived as high quality production. The product assortment produced by the group's companies is added with new qualitative value added products and packaging every year.

The sales of Rokiškio group in Lithuania in 2014 reached LTL 284 million and were by 15 per cent higher compared to 2013 when it was LTL 248 million. The sales in Lithuania made one third of total sales of the company's products.

The Group aims to further increase reliability of its produce, encourage healthy life style, and to increase consumption of dairy products per person.

Brands as follows:



Naminukas

ROKIŠKIO GRAND
FORMAGGIO

Rokiškio GRAND kietasis sūris,
GIMĖS LIETUVOJE,
SUBRENDEŠ ITALIJOJE
BRANDINTAS 24 MĖNESIUS

Vartotojų puikiai žinomas ir pamėgtas sūris Rokiškio GRAND pristato naują „šeimos narį“ – 24 mėnesius brandintą kietąjį sūrį Rokiškio GRAND.

Sendinto aukso spalvos, nežymaus rusvo, šiaudų, medaus ir gintaro atspalvio. Kietojo sūrio GRAND skonis suteikia tariamo saldumo jausmą, tuo pačiu švelnumo bei aštrumo.

„Grand“ sūris, brandintas 24 mėnesius – tarsi jaunystės ir išminties harmonija. Dvelkiantis pikantiškumo magija. Šis sūris turi daug puikių savybių: jis nėra riebus, vos 37 proc., tad tinka ir mažiems ir suaugusiems. Dėl brandinimo laiko neturi lactozės, tad puikiai tinka tiems, kurių organizmas netoleruoja šviežių pieno produktų.

24 mėnesius brandintas kietasis sūris Rokiškio GRAND – brandus pasirinkimas.



A key factor is stability of the produce quality which is essential for implementation of marketing strategy, as well as continuous strengthening the company's brands.

For the year 2014 and further, one of the main projects is strengthening positions of hard cheese Rokiškio Grand, and to increase consumption of the cheese by using market promotions instruments. The company widens assortment of the cheese with new packagings and variety of maturing time up to 24 months.

The group of Rokiskio suris has a range of other value added products of high quality clean label chocolate coated cheese bars Naminukas; fluid milk/kefir with vitamin D, yogurt with 100 per cent sweetness from fruit, Rokiskio mini souvenir cheese and many others.

According to a competition initiated by the Lithuanian trade companies association which was started five years ago, the most popular products of Rokiskio suris in Lithuania are as follows:

- Kefir, sour cream, sour butter milk - **Rokiškio NAMINIS kefir, 2.5% 0.9 kg pack.**
- Fermented cheese - **ROKIŠKIO ferment. cheese, 45%, 240 g,**
- Processed cheese – **Sūris Lydytas Visiems, 330g.**

27. Purchase of raw milk



Based on preliminary data of the Ministry of agriculture, in 2014 in Lithuania it was bought 1435.55 thousand tons of raw milk, i.e. more by 7.2 per cent compared to 2013.

The quality of raw milk was improving in 2014, statistics show that 98 per cent of raw milk of natural fat content purchased from Lithuanian farmers complied with standard requirements, and this figure was 97 per cent in 2013.

The key change in raw milk purchasing sector was decreased prices of raw milk and increased volumes of it.

In 2014, the volumes of raw milk purchase increased by 7.7 per cent compared to 2013. The increase of purchased raw milk was caused by several successful years for dairy market. Unfortunately, the January 2015 price for natural milk paid to the farmers with more than 40 tons of milk per month decreased by 9.6 per cent compared to December 2014, and it was less by 36 per cent compared to January 2014.

The table below shows prices of raw milk paid by the Group to large farmers with the farms of European size delivering over 40 tons raw milk per month during 2013-2014.

Month	Price of purchased natural milk	
	2013 (Lt/t)	2014 (Lt/t)
January	1178	1453
February	1160	1448
March	1169	1413
April	1114	1336
May	1143	1183
June	1118	1102
July	1156	1050
August	1219	994
September	1355	954
October	1460	1003
November	1439	1031
December	1431	1023
Average milk purchasing price for 12 months	1239	1175

28. Risk factors related with the issuer's performance.

Economic factors:

Unfavourable influences related with raw milk production and sales of finished products:

- a) decrease in number of cows in Lithuania;
- b) lowering purchasing power of Lithuanian residents;
- c) cheaper Polish products on Lithuanian market;
- d) high competition;
- e) substitution of dry milk products with cheaper ingredients for further production;
- f) uncontrollable increase of prices for fuel/power;
- g) abolishment of EU export subsidies to third countries;
- h) bureaucratic restrains;
- i) volatility in export prices;
- j) inadequate attention of the government in regards with business, development of regions and establishment of new workplaces;
- k) import embargo of Lithuanian products to the Russia market;
- l) restrictions to enter new markets;
- m) higher supply of dairy products in the EU countries;
- n) decrease of export prices;
- o) devaluation of Russian currency;
- p) inflexible politics in regards with VAT and excise taxes;
- q) volatile competition due to instable currency ration between euro and Russian ruble;
- r) ongoing crisis in the EU.

Lithuania is dominated by small milk farms. Such a high number of raw milk suppliers causes increase of costs for raw milk quality testing, and raw milk collection and accounting costs.

Inadequate government support for dairy farms compared to Latvia and Estonia.

In addition, small farms cannot ensure sufficient and consistent raw milk quality, and impede investment into milk farms. Average dairy farm in Lithuania is the least in EU, moreover it is smaller thirteen times as much compared to the average figure in EU.

Raw milk production in Lithuania is heavily influenced by seasonality: collection of raw milk in summer period is almost twice as much compared to winter period. It has a negative impact on the effectiveness of milk processing, utilization of equipment capacities and cut of work places during the low session period.

Low productivity of milking cows:

Low productivity of cows is caused by insufficient genetic potential of herd and poor feedstuffs. Diminishing small farms. Decrease of population in rural areas.

Unsteady dairy industry regulatory measures implemented by the State. Development of family based dairy farms was and still is too slow. Absence of consequent State politics to develop this sector, frequent changes of subsidy requirements and its amounts, concentration into milk prices rather than into investment support have had negative influence on the development of milk farms and improvement of veterinary-sanitary conditions.

Social factors:

During the past few years, emigration of residents of Lithuania increased. Now it is experienced lack of qualified work power. Decrease in reimbursement system. Low birthrate. Lack of support for young orderly families, no measures to encourage higher birthrate.

Loss in trust of the government by residents, volatile future perspectives. Passiveness of residents.

People lose their trust in the government, and there is no certainty in the future. Passive residents.

Farming is dominated by older farmers. Community of villages is getting older also. High unemployment rate. Bankruptcy of companies. Consumption decrease due to higher taxes applied to residents. Uncontrolled rise in the prices for fuel and power resources strongly influences decrease of consumption and lower satisfaction of customer needs.

Inefficiency of the government to create new labour places, high level of unemployment, politics of allowances, which do not encourage the will to work, lost of trust in the government politics, and the government's inefficiency.

Risk factors related to food safety issues:

Food safety risk factors of AB „Rokiškio sūris“ are determined by HACCP program. The main parts of HACCP program are Prerequisites and HACCP plans. They identify hazard points in every production step, as well as their critical control limits, their analysis, verification and correction actions.

The company has the following Pre-requisites:

1. Raw milk quality;
2. Maintenance of buildings and premises;
3. Sanitary;
4. Training of personnel;
5. Supply of water, steam and electricity. Water control;
6. Supply of water, steam and electricity. Water control;
7. Purchase and storage of additional materials;
8. Maintenance of equipment. Calibration of measurement devices;
9. Maintenance of equipment. Calibration of measurement devices;
10. Product traceability and recall;
11. Monitoring of logistics;
12. Pest control.

To monitor every production process there are prepared procedures, technological instructions, and their control procedures (both microbiological and chemical), provided records. Final products are handled according the company's standards which concerns their specifications, chemical content, nourishment, energetic value, packaging, terms of storage, shelf life etc.

Ecological:

Based on Regulation of European Parliament and Community 2010/75/EB "Regarding industrial waste pollution (integrated prevention and control of pollution" - TIPK), AB Rokiskio suris is attributed to the equipment of Annex 1 which obliges to obtain the TIPK permission. The first TIPK permission was obtained on 30/12/2005, it was issued by the Department of environment

protection of Panevezys region. Following the TIPK rules, the permission was renewed on 12/09/2014. The company introduced most effective production forms (GPGB), and the consumption of resources and emission of pollution complies with the EU regulations.

In 2001, the company implemented environment protection system ISO 14001. The certification and auditing is made by an international company Bureau Veritas Lietuva. In 2013, the environmental protection system was successfully recertified. In 2014, the surveillance audit was made.

The environment protection politics of AB "Rokiškio sūris" covers continuous decrease of negative impact on environment, ensuring minimal consumption of resources, and strengthening waste treatment in order to minimize negative impact on air, water and earth. In 2014, during the external and internal audit it was identified 8 remarks and no non-compliance. The targets are set for every year in order to improve the system and reduce ecological risks. The 2014 Environmental Protection Program was implemented. The evaluation and analysis of performance is made periodically.

In 2014, the following five programs were implemented in the company in order to evaluate and analyze the impact on environment: 1) Monitoring program for field fertilization by waste from AB Rokiškio sūris, 2) Monitoring program for treated waste from AB Rokiškio sūris to Ruopiškis (Alseta) lake in Rokiškis district, 3) Monitoring program for underground water of AB Rokiškio sūris, 4) Monitoring program for underground water in petrol stations of AB Rokiškio sūris in Rokiškis and Obeliai. The monitoring is made by a research company UAB Geoaplinka, 5) The monitoring testing of pollution sources is made by the following certified laboratories: UAB Ekometrija, UAB Rokvesta. Reports are submitted to Environment Authorities. There was not identified any objectionable influence to the environment.

In 2014, the stationary air pollution resources discharged 8.44 t of pollutants. The transport department consisted of 275 vehicles: 175 trailers, 94 automobiles, 6 other vehicles. 65 per cent of the vehicles comply with the requirements of EURO 1-5.

The company has constructed its own waste water treatment plant in order to target loads for pollutants as required by the EU standards. In 2014, it was treated 1,067 thousand m³ of waste. Effectiveness of waste treatment is around 96-99 per cent. 6,347 t of sludge was used for field fertilizing. The effectiveness of waste treatment is equal to 96-99%. 1.9 per cent of waste was directed to the outside waste treatment plant UAB "Rokiskio vandenys".

AB Rokiskio suris uses modern technologies to separate water from whey and to purify it, up to 34 per cent of this water is used for the equipment cleaning, and it helps to save underground water.

The company has undergone through risk analysis, consequently a plan of preventive actions and accident liquidation was prepared. The most dangerous company's sites: ammonium compressor room, storage of chemical materials of waste water treatment plant, warehouse of chemical materials, petrol station. The company's buildings were evaluated and marked as required by the fire protection regulations. Fire alarms were equipped were necessary in order to improve fire-protection and minimize potential risk.

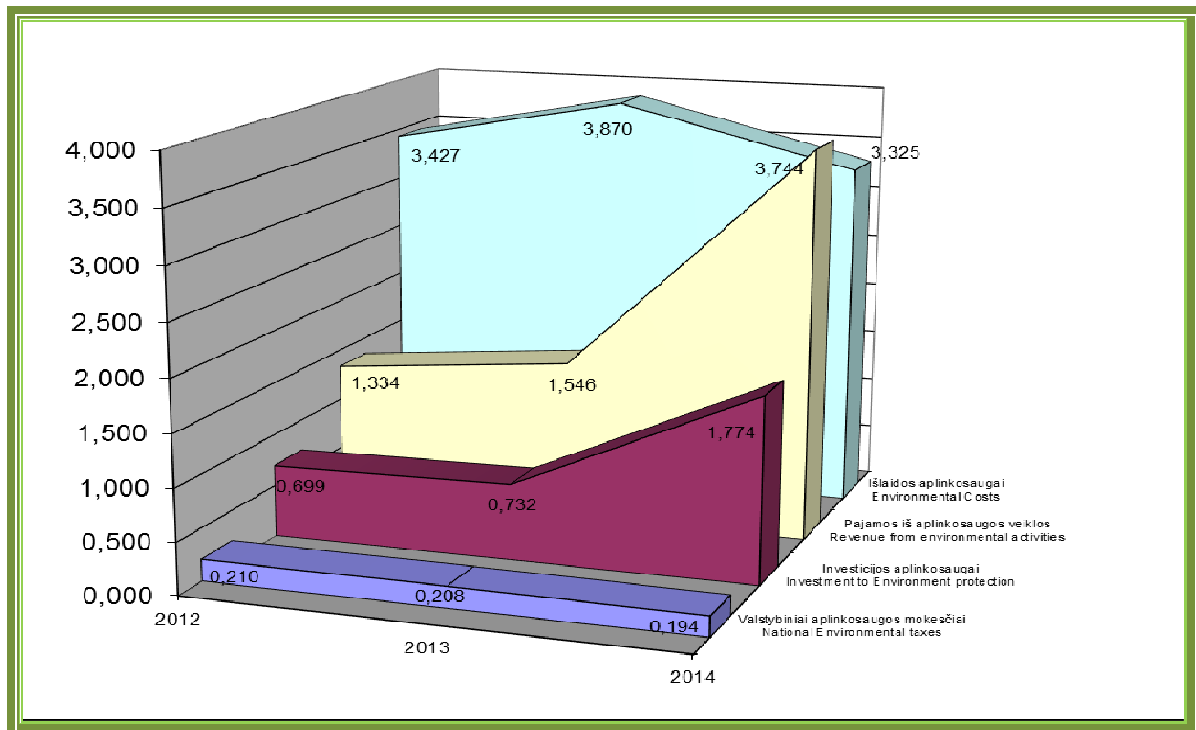
Key environmental indices:

	2012	2013	2014	GPGB – ES*
Quantity of waste pollutants according to BDS7 in kg per ton of raw material	0.37	0.58	0.07	-
Quantity of waste per ton of raw material, m ³	1.22	1.38	1.44	0.7-6
Consumption of chemical materials in kg per ton of raw material	1.86	1.92	2.62	1.1-10.7
Power consumption in kWh per ton of raw material	35.4	38.05	39.86	60-208
Thermo-power consumption in kWh per ton of raw material	62.8	69.97	73.33	60-820

*- GPGB- "Integrated Pollution Prevention and Control, Reference Document on Best Available Techniques in the Food, Drink and Milk Industries " August 2006

Environmental activities, LTL million

	2012	2013	2014
Taxes for environment pollution	0.210	0.208	0.194
Investment into environment protection	0.699	0.732	1.774
Income from the environmental operations	1.334	1.546	3.744
Expenditure for environment	3.414	3.870	3.325



29. Key aspects of formation of consolidated financial accounting related with the systems of internal control and risk management

These consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preparation of consolidated and parent company's financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are based on the knowledge obtained by the management as well as current situation and actions.

The financial accounts include consolidated financial accounting of the Group and individual financial accounting of the Company.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquirer either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquirer and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts

previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognizes the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other ventures. The group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

30. Financial risk monitoring

In its operations the Company and the Group faces various financial risks. Overall risk monitoring program of the Group focuses on uncertainties of the financial markets and it aims to diminish any expected impact onto the financial results of the Group's operations.

The risk factors faced by the Company and the Group are described upon Remark 3 (page 23) of the 31st December 2014 financial report of consolidated and parent company AB „Rokiškio sūris“.

31. Information about the authorization given by the Board members

Members of the Board of Directors have not authorized any other third parties to perform the functions attributable to the Board of Directors.

32. Key ratios of the company performance, their dynamics

The table below shows consolidated figures describing the Group's operations.

No.	Ratios		2014	2013	2012	2011	2010
1.	Net profit %	$\frac{\text{Net profit}}{\text{Sales and services}}$	(0.15)	3.81	3.7	4.0	4.4
2.	Average return on assets	$\frac{\text{Net profit}}{\text{Average assets}}$	(0.003)	0.07	0.06	0.07	0.07
3.	Debt ratio	$\frac{\text{Liabilities}}{\text{Assets}}$	0.30	0.33	0.31	0.35	0.40
4.	Debt-to-equity ratio	$\frac{\text{Liabilities}}{\text{Equity}}$	0.43	0.49	0.44	0.55	0.66
5.	General liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.44	2.03	2.16	1.85	1.63
6.	Assets turnover ratio	$\frac{\text{Revenues}}{\text{Assets}}$	1.77	1.68	1.75	1.54	1.72
7.	Book value per share, Lt	$\frac{\text{Equity}}{\text{Number of ordinary shares}}$	9.47	9.60	8.79	8.07	5.06
8.	Net earnings per share, Lt (EPS)	$\frac{\text{Net profit}}{\text{Number of ordinary shares}}$	(0.04)	0.93	0.84	0.79	0.65
9.	Price to profit per share ratio, Lt (P/E)	$\frac{\text{Market share price}}{\text{Profit per share}}$	-	5.90	5.75	5.75	9.52

No.	Ratios	2014	2013	2012	2011	2010
1.	Income (thousand litas)	860,613	861,355	796,407	688,025	553,760
2.	EBITDA (thousand litas)	31,400	71,966	70,886	58,821	55,413
3.	EBITDA margin (%)	3.65	8.35	8.90	8.55	10.01
4.	Operational profit (thousand litas)	(687)	36,227	35,971	35,141	29,663
5.	Operational profit margin (%)	(0.08)	4.21	4.52	5.11	5.36
6.	Return on equity ROE (%)	(0.39)	9.52	9.35	9.56	12.65
7.	Profitability margin (EBT margin) (%)	(0.24)	4.07	4.32	4.83	5.18

33. Investment projects implemented during the last 3 fiscal years:

Every year AB Rokiškio sūris gives great attention to new investment into the production procedures, modernization of existing production facilities and their maintenance, procurement of raw material, continuation of environmental protection, and transport.

During 3 latter fiscal years, the company's investments were mainly directed to modernize cheese production facilities and equipment.

In general, AB Rokiskio suris investments are organized in the way to ensure food safety requirements within the production procedures and external surrounding including raw milk processing, production, slicing, packaging, loading and delivery of produce to the customer. In 2007-2010, AB Rokiškio sūris continued the investment program, consequently some new equipment and milk trucks were bought, and the production equipment was modernized which also resulted into the better work conditions for employees, lowered power consumption, and supported environment protection program.

A part of investment was directed into improvement of raw milk quality. In 2007-1010, the main investments were made in accordance with KPP program for the period of 2007-2013. The investments were used not only for the parent company AB Rokiskio suris but for the subsidiary UAB Rokiskio pienas also. The subsidiary prepared four business plans to employ the support. Total sum of the investment plans amounts to LTL 13.81 million.

In 2010, AB Rokiskio suris prepared two business plans in accordance with 2007-2013 program. They are „Modernization, of raw milk processing by AB Rokiskio suris in order to increase competitive ability of the company“ and „Modernization, of raw milk processing by AB Rokiskio pienas in order to increase competitive ability of the company“.

Investments of the group of AB „Rokiškio sūris“:

	Investment (million LTL)
2010	6.5
2011	16.4
2012	11.4
2013	39.0
2014	22.0

The main investments implemented in 2014:

- Investments for the production of WPC80 in Rokiskis and Utena plant.
- Equipment of whey processing aiming to increase capacities of separation and pasteurization.
- Variety packaging for hard cheese Grand, widening of the cheese assortment.
- Control of lactose quality.
- Smoking chambers for processed cheese.
- Expansion of milk truck cleaning facilities.
- Modernization of production plant and departments servicing production: department of power and heat supply (built an electrical power transformer), compressor room (piping of iced water, AVS of compressor room), waste water treatment - (building of waste pumps), department of water preparation and supply - (implementation of de-ironing of water).
- The most recent laboratory equipment for the quality of raw milk, and finished products and more precise sampling.
- Software upgrade in the sales department.
- Variety of packaging and wider assortment of fermented cheese and fresh dairy products.
- Improvement of sanitary and hygiene system in the production departments (equipment of ventilation systems, moisture collectors and cleaning centres).
- Power savings in regards with the EU requirements.
- New compressor room in Utena.
- Equipment of raw milk reception, and cleaning in Utena.
- Reconstruction of production buildings in Utena and Ukmergė
- Construction of an arched warehouse in Ukmergė.
- Further development of equipment related with environmental politics.
- Acquisition of internal vehicles servicing production departments.
- Acquisition of milktrucks.
- Improvement of work conditions for the employees.

All investments were made in Lithuania: Rokiskis and the related sites in Utena and Ukmergė.

34. Future plans, forecasts and investments envisaged in 2015

In 2015, the group of AB Rokiškio sūris is going to make investments amounting to EUR 8.6 million.

Mainly the investments in 2015 will be directed into the main production departments of the company – production of cheese, cheese maturing and whey treatment.

The main target of the investments is to continue effective usage of current and new equipment by modernization and improvement of technological procedures, effective use of power resources, improving the quality of water consumed by the production.

It is provided that acquisition of equipment should first satisfy customer needs in terms of finished production. It is aimed the equipment would ensure safety and quality of the product as well as variability of packaging responding to growing market demand.

As usual, in 2015, great attention was paid to the departments providing services to the production plants and modernization of their equipment: cooling systems, power supply, waste utilization, ventilation systems.

Also, to the storage and delivery of ready-to-cook products and finished products within the company's departments. Therefore, some more new vehicles were acquired to replace the old ones.

The 2015 investments are targeted to enhance the company's competitiveness, as well as improved employment of production facilities by implementing additional equipment and considering environment protection.

35. Dividends paid

Dividends paid according share types and class during the last 6 years:

Year	Total sum of dividends, Lt	Dividend per share, Lt	Net profit per share, Lt	Multiplier of dividend payments
2007	9,902,131.20	0.24	0.81	0.30
2008	Dividends were not paid			
2009	844,483.40	0.10	0.38	0.26
2010	3,586,797.00	0.10	0.65	0.15
2011	3,506,588.00	0.10	0.79	0.13
2012	3,506,588.00	0.10	0.84	0.12
2013	3,506,588.00	0.10	0.93	0.11

The decision on allocation and payment of dividends shall be taken by the General Meeting of Shareholders, appropriating the profit/loss of the company available for appropriation. The dividend can be allocated for a fiscal year or a period shorter than one fiscal year.

The General Meeting may not adopt the decision to declare and pay dividends if at least one of the following conditions is met:

- 1) the company has not discharged all its obligations that terms had expired before the decision was taken;
- 2) the result of the financial year available for appropriation is negative (losses were incurred);
- 3) the equity capital of the company is lower or after the payment of dividends would become lower than the aggregate amount of the authorised capital of the company, the legal reserve, the revaluation reserve and the reserve for own shares.

If the company fails to pay the statutory taxes before the required deadline, it may not pay the dividend, annual bonuses to the Board members and incentives to its employees.

After the General Meeting of Shareholders adopts the decision to allocate dividends, the company must pay the allocated dividends within one month after the day of adoption of the decision on profit appropriation or the decision to allocate dividends for a shorter period than one financial year. Payment of dividends in advance shall be prohibited.

Persons who were shareholders of the company at the end of the day when the General Meeting declared the dividends (of the tenth day from the General Meeting of Shareholders that took the

decision) or were entitled to receive dividends on other legal grounds shall be entitled to the dividend.

36. Management bodies of the issuer

In accordance with the Articles of Association of AB "Rokiškio sūris", the managing bodies of the company are as follows: General shareholders' meeting, the Board of Directors and the Chief Executive Officer.

The right of initiative to convene the General Meeting shall be vested in the Supervisory Board, the Board (the manager of the company, where the Board is not formed) and the shareholders who have at least 1/10 of all votes, unless the Articles of Association provide for a smaller number of votes.

As AB „Rokiškio sūris“ does not have the Supervisory Board the right to initiate general shareholder's meetings belong to the Board of Directors.

The initiators of the General Meeting shall submit a request to the Board where they must state the reasons for convening the General Meeting and its purposes, submit proposals regarding the agenda, date and venue of the Meeting, drafts of the proposed decisions. The General Meeting shall be held within 30 days after the date of receipt of the request. It shall not be mandatory to convene the General Meeting if the request does not comply with all the requirements set forth in this paragraph and the required documents have not been submitted or the issues proposed for the agenda are not within the scope of powers the General Meeting.

An Annual General Meeting must be held every calendar year at least within four months from the end of the financial year.

A notice of the General Meeting must be published in the daily indicated in the Articles of Association or delivered against acknowledgement of receipt sent by registered post to each shareholder not later than 21 days before the General Meeting.

The shareholders present at the General Meeting shall be registered in the shareholder registration list. The shareholder registration list shall indicate the number of votes granted to each shareholder by the shares held by him.

A person attending the General Meeting and entitled to vote shall produce a document which is a proof of his personal identity. A person who is not a shareholder shall in addition produce a document certifying his right to vote at the General Meeting. The current provision shall apply if the voting is held in writing by filling in the ballot papers.

If the General Meeting is not held, the repeat General Meeting should be convened at least 5 days and not more than 21 day after the day of the General Meeting which was not held. The shareholders must be notified of the repeat General Meeting in the manner specified in paragraph 4 of this Article at least 5 days before the day of this General Meeting.

Persons who were shareholders at the end of the record date shall have the right to attend and vote at the General Meeting or repeat General Meeting themselves, unless otherwise provided for by laws, or may authorise other persons to vote for them as proxies or may transfer their right to vote to other persons with whom an agreement on the transfer of the voting right has been concluded. The right of shareholder to attend the General Meeting also provides the right to speak and interrogate. The record date of the public limited-liability company shall be the fifth

working day before the General Meeting or the fifth working day before the repeat General Meeting.

Shareholders may vote in writing by filling in the ballot papers. Voting by telecommunication terminal equipment shall be equivalent to voting in writing provided that confidentiality of communications is guaranteed and there are means for verifying the identity of shareholder.

The voting right at other General Shareholders' Meetings is granted by fully paid-up shares only. Each share provides one vote at a general shareholders' meeting.

General meeting of shareholders have the following exclusivity rights:

1. to amend the articles of association;
2. to change the company's legal address;
3. to elect a supervisory body, yet if this is not formed then to elect the management board members. In case both bodies are not formed, then to elect the company's executive manager;
4. to recall the supervisory body or its members, as well as the elected board of directors and the company's executive manager;
5. to elect and recall the company's auditor executing annual financial reports, determine its payment module;
6. to establish the class, number, nominal value and minimal price of share emission;
7. to convert of one type of shares into the shares of another type, approval of exchange procedure of the Company's shares;
8. to approve annual financial reports;
9. to adopt resolution regarding distribution of profit (loss);
10. to form, use, decrease or cancel reserves;
11. to approve interim financial accounting prepared on purpose to accept resolution regarding dividends payout for the period shorter than a financial year;
12. to accept resolution regarding dividends payout for the period shorter than a financial year;
13. to resolve regarding emission of convertible bonds;
14. to resolve regarding cancellation of prerogative right to all shareholders to acquire the Company's shares of a certain emission;
15. to resolve regarding increase of the authorized capital;
16. to resolve regarding decrease of the authorized capital;
17. to resolve regarding purchase of the company's shares;
18. to resolve regarding reorganization or segregation of the Company and approval of terms for reorganization or segregation;
19. to resolve regarding reformation of the Company;
20. to resolve regarding restructuring of the Company;
21. to resolve regarding liquidation of the Company or cease of liquidation unless the Law on Joint Stock Companies provides differently;
22. to elect and recall the company's liquidator unless the Law on Joint Stock Companies provides differently;

General meeting of shareholders may discuss other issues assigned by the articles of association of the company if the Law on Joint Stock Companies does not assign those functions to other management bodies and in general they are not the functions of management body.

A resolution of general meeting of shareholders is considered to be accepted when a simple majority votes for the resolution rather than against, except in case of points 1, 6, 7, 9, 10, 12, 13, 15, 16, 18, 19, 20, 21 which requires the participated majority of 2/3 of shares with the voting

right. Resolution for an item of point 14 may be adopted with the participated majority of 3/4 of shares with the voting right.

37. Committees formed in the Company

Audit Committee of AB Rokiskio suris:

The company's Audit Committee is made of 3 members one of which is independent. The cadency of the Audit Committee is four years. Upon recommendation of the company's Board of Directors the members of Audit Committee are elected by the general meeting of shareholders. The members of Audit Committee were elected by the 26th April 2013 general meeting of shareholders. Cadency period of the Audit Committee ends in April 2017.

The Audit Committee is a collegial body accepting its decisions at the meetings. The Audit Committee may adopt resolutions and its meeting is considered to be valid when it is attended by at least 2 (two) members of the committee. A resolution is adopted when it is voted for by at least two members of the Audit Committee.

In 2014, the Audit Committee convened 4 meetings. All meetings were attended by all members of the Audit Committee.

Key functions of Audit Committee include the following:

- 1) supervision of preparation of financial accounts;
- 2) supervision of functional internal control of the company, risk management and internal audit system,
- 3) supervision of the Company's auditing procedure;
- 4) supervision how an auditor pursues the principles of independency and impartiality;
- 5) honest and responsible operation in favour of the Company and its shareholders.

Members of Audit Committee:

Kęstutis Kirejevas – independent member, director of UAB „EuropaPrint“, has no shares of AB Rokiškio sūris;

Rasa Žukauskaitė – works for AB „Rokiskio suris“, in the financial department, has 2 shares of AB Rokiškio sūris;

Asta Keliuotytė - works for AB „Rokiskio suris“, in the financial department, has no shares of AB Rokiškio sūris.

There are no other committees formed in the company.

38. Management bodies

Management of the company:

Chief Executive Officer - Antanas Trumpa

Deputy CEO - Dalius Trumpa

Chief Financial Officer - Antanas Kavaliauskas

Development Director – Ramūnas Vanagas

Central Services Director – Jonas Kvedaravičius

Logistics Director – Jonas Kubilius

Procurement Director – Evaldas Dikmonas

Sales and Marketing Director – Darius Norkus

System of bonuses for the management:

As the management of the company consists of the same members as the Board of Directors, they receive tantiemes in accordance with the company's performance results, also all members

of the management receive wages and variable payouts which depend on the company's performance results, market situation and other factors.

39. Members of collegial bodies

The Board of Directors of AB Rokiskio suris

The Board of Directors is a collegial management body comprised of 4 (four) members. The Board members are elected and recalled by the general shareholders' meeting pursuing the procedure set by the Law on Joint Stock Companies.

Members of managing bodies:

Dalius Trumpa (Deputy Director AB Rokiškio sūris) – Chairman of the Board of Directors,

Antanas Kavaliauskas (CFO AB Rokiškio sūris) – Deputy Chairman,

Ramūnas Vanagas (Development Director AB Rokiškio sūris) – Member of the Board of Directors,

Darius Norkus (Sales and Marketing AB Rokiškio sūris) – Member of the Board of Directors.

The members were elected by the 17th July 2012 general meeting of shareholders of AB Rokiškio sūris. Term of service of the Board of Directors is 4 years. Current cadency ends on 17th July 2016.

In 2014, the Board held 10 meetings of the Board. All Board meetings were attended by all members of the Board.

The General Meeting of Shareholders shall also be attended by the majority of the Board members.

Bonuses to members of the Board may be paid for their work on the Board according to the procedure laid down in Article 59 of the Law on Companies. The amount of bonuses depends on the results business activities of the Company. The decision on bonus payments shall be taken by the General Meeting of Shareholders. No other additional payments for the Chairman of the Board related with the motivation system are stipulated.

Board of Directors:

(as at 31.12.2014)



Dalius Trumpa – Board Chairman (elected on 17th July 2012). Owns 83,500 ordinary registered shares, i.e. 0.23% of the Authorized capital and 0.24% of votes of AB Rokiškio sūris.

Education – university degree. Works for the company since 1991. As from 2002 in the capacity of production director. As from 2007 appointed a deputy director.

Also the director of UAB Rokiskio pienas from 2007.

Participation in the activities of other companies:

Shareholder of UAB Pieno pramonės investicijų valdymas, having 3.91% of the company's shares and votes;

Chief executive officer of a subsidiary UAB Rokiškio pienas, having no shares;

Chief executive officer of a subsidiary UAB Rokiškio pieno gamyba, having no shares;
 Director of UAB Rokvalda, having 100% of shares and votes;



Antanas Kavaliauskas - Deputy Chairman (elected on 17th July 2012), the Chief Financial Officer of AB Rokiškio sūris, having no ownership of AB Rokiškio sūris.

Works for the company since 2002 in the capacity of finance director. Education – university degree. In 1997, obtained a master degree of finance management in Kaunas technology university.

Participation in the activities of other companies:

Shareholder of UAB Pieno pramonės investicijų valdymas owning 3.91% of shares of UAB Pieno pramonės investicijų valdymas.

Board Chairman of Latvian company SIA Jekabpils piena kombinats, having no shares;



Ramūnas Vanagas - Board member (elected on 17th July 2012), Development Director of AB Rokiškio sūris, having no ownership of shares of AB Rokiškio sūris.

Education – university degree. Works for the company since 2005 in the capacity of business development director.

Participation in the activities of other companies:

Shareholder of UAB Pieno pramonės investicijų valdymas, having 3.91% of the company's shares and votes.



Darius Norkus - Board member, (elected on 17th July 2012), Sales and Marketing director of AB Rokiškio sūris, having no shares of the company.

Education – university degree. Works for the company since 2001 in the capacity of the sales and marketing director.

Participation in the activities of other companies:

Shareholder of UAB Pieno pramonės investicijų valdymas, having 3.91 % of the company's shares and votes;

Manager of the Company:

The Chief Executive Officer is a one-man management body who organizes everyday activities of the company. Within relationship between the company and other persons, the Chief Executive Officer acts determinatively on behalf of the company.

The company's manager participates in all (including the last one) general meetings of shareholders.

Information on the company's manager (director):

The CEO of the Company:



Antanas Trumpa owning 6,199,875 ordinary registered shares of AB Rokiškio sūris, i.e. 17.29% of the authorized capital of AB Rokiškio sūris and 17.68% of votes.

Education – university degree. Works for the company as from 1966. In 1979, prepared a dissertation "Organizing the work of vacuum apparatus" in Kaunas Polytechnic Institute, consequently on 12th October 1994 was granted a doctor degree by Lithuanian Science Council.

Participation in the activities of other companies:

Shareholder of UAB Pieno pramonės investicijų valdymas with 6,758, i.e. 67.04% of the shares and votes of UAB Pieno pramonės investicijų valdymas.

Information on the company's finance director: Chief Financial Officer Antanas Kavaliauskas

For more information about the Chief Financial Officer see point 39 as per information about the management bodies.

Data on the allocated funds

In 2014, it was allocated the following sums to the members of the Board of Directors of AB Rokiškio sūris, manager of the Company and the chief financier, average amounts are calculated falling on one member of management bodies, as well as transferred property and guarantees:

Members of collegial bodies	Number of persons	Total allocated sums (wages and tantiemes), thou Lt	Average amount per person, (wages and tantiemes), k Lt	Transferred property, thou Lt	Guarantees given, thou Lt
Members of the Board of Directors	4	1,460.8	365.2	-	-
Manager of the company and chief financier	2	183.5*	92.8*	-	-

* As they are not members of the Board of Directors, there are no tantiemes, only income in form of wages

40. Information on observance of the Company management codex.

Annex to the Consolidated Annual Report

Rokiškio suris AB disclosure of compliance with the Governance Code of the companies whose securities are traded on a regulated market is provided as an annex and it is a part to the consolidated annual report.

41. Information on the publicly announced data

1. Regarding the export renewal to Russia

On 20th January 2014, Russian Federal Service on Customer's Rights Protection and Human Well-Being Surveillance "Rospotrebnadzor" renewed exports of the products of Rokiskio suris group companies to Russian Federation.

2. Regarding evaluation in the exhibition PRODEXPO'2014

In the international food industry exhibition in Moscow PRODEXPO'2014 which took place on 10th-14th February, 2014, a new product of Rokiskio suris AB – the hard grating cheese "Rokiskio GRAND" – was nominated as the best product in the International Competition THE BEST PRODUCT'2014 which was organized by the Central Tasting Committee of the Russian Ministry of Agriculture and a company Agroexposervice. Rokiskio GRAND was granted a gold medal in this competition.

Rokiškio GRAND is a classical cheese of *Parmigiano Reggiano* type, produced in Lithuania from the best quality raw milk and matured in Italy for at least 9 months.

3. Rokiškio sūris AB, interim financial results for the three months of 2014

The consolidated non-audited sales of the AB Rokiskio suris group for 3 months 2014 made LTL 218.863 million (EUR 63.387 million), i.e. 15.24 per cent more compared to the same period last year. In 2013, the consolidated sales of the three months made LTL 189.927 million (EUR 55.007 million).

In 3 months 2014 the group's loss amounted to LTL 2.062 million (EUR 0.597 million). The consolidated net profit of the group for the three months of 2013 was LTL 1.256 million (EUR 0.364 million).

4. Resolutions of the 25th April 2014 General Meeting of Shareholders of the Rokiskio suris

1. Auditor's findings regarding the consolidated financial reports and annual report.

Resolution:

To endorse the auditor's report. (attached).

2. The Audit Committee report.

Resolution:

To endorse the report of the Audit Committee.

3. The Company's annual report for the year 2013.

Resolution:

Debriefed with the annual report for the year 2013 of AB Rokiškio sūris.

4. Approval of the company's consolidated financial accounting for the year 2013.

Resolution:

To approve the consolidated financial reports for the year 2013.

5. Allocation of the profit of the Company of 2013.

Resolution:

To approve allocation of the profit of the Company of 2013.

		thou LTL	thou EUR
1.	Non-distributable profit at beginning of year	94 798	27 455
2.	Approved by shareholders dividends related to the year 2012	(3 507)	(1 016)
3.	Transfers to reserves provided by law	13 289	3 849
4.	Non-distributable profit at beginning of year after dividend payout and transfer to reserves	104 480	30 288
5.	Net profit of fiscal year for Company	64 240	18 605
6.	Distributable profit	168 820	48 894
7.	Profit share for mandatory reserve	-	-
8.	Profit share for other reserves	-	-
9.	Profit share for dividend payout ¹	(3 507)	(1 016)
10.	Profit share for annual payments (tantiemes) to the Board of Directors	1 168	338
11.	Profit share for employee bonuses and other	2 886	836
12.	Non-distributable profit at end of year	165 313	47 878

¹Distributed profit earned by the Company until 2009

Allotted for the dividends related to 2013 – LTL 3 506 588 (EUR 1 015 578) i.e. LTL 0.10 (EUR 0.029) per share (before taxes).

6. Election of the Company's auditor and establishment of payment conditions.

Resolution:

To appoint UAB PriceWaterhouseCoopers as an Auditor of JSC Rokiskio suris. The Board of Directors will establish the fee for the auditor's work. The Company's Chief Executive Officer will sign a contract with the auditor.

7. Regarding purchase of own shares.

Resolution:

- 1). To purchase up to 10 per cent of own shares.
- 2). Purpose of acquisition of own shares – maintain and increase the price of the company's shares.
- 3). Period during which the company may purchase own shares - 18 months from the approval of resolution.
- 4). Maximal purchase price per share set as – EUR 3.475 (LTL 12.00) minimal purchase price per share is set equally to nominal value of share – EUR 0.290 (LTL 1.00).
- 5). Minimal sales price per share of the treasury shares is equal to the price at which the shares were purchased.

When selling treasury shares it should be established equal opportunities for all shareholders to acquire the company's shares. Also, it shall be provided the opportunity to annul treasury shares.

- 6). To authorize the Board of Directors to organize purchase and sales of the own shares, establish an order for purchase and sales of the own shares, as well as their price and number, and also complete all other related actions pursuing the resolutions and requirements of the Law on Joint Stock Companies.

8. Regarding compounding the reserve to acquire own shares.

Resolution:

Reserve for acquisition of own shares accumulated amounts up to LTL 40 287 thousand (EUR 11 668 thousand).

5. Results of AB Rokiskio suris for the period six months 2014 and consolidated interim financial statements

The consolidated non-audited sales of the AB Rokiskio suris group for 6 months 2014 made LTL 446.226 million (EUR 129.236 million), i.e. 9.25 per cent more compared to the same period last year. In 2013, the consolidated sales of six months made LTL 408.455 million (EUR 118.297 million).

The consolidated non-audited net profit of the group within six months 2014 made LTL 4.449million (EUR 1.289 million), i.e. 57,71 per cent less compared to the same period last year. During six months of 2013, net profit of the group made LTL 10.520 million (EUR 3.047 million).

6. Regarding suspension of dairy imports to the Russian market

On 6th August 2014, the President of the Russian Federation enacted an import embargo on agricultural produce imported to Russia from various countries including Lithuania. In the past months the sales of AB Rokiškio sūris to the Russian market made up to 10-15 per cent of total sales, therefore the import embargo will not have a threatening impact on the continuation of the company's operations, yet it will negatively influence the company's financial results.

AB Rokiškio sūris envisages to maintain current level of production if the State provides support to process the surplus milk which was used for the products to be sold on the Russian market.

7. Results of AB Rokiskio suris for the period nine months 2014

The consolidated non-audited sales of AB Rokiskio suris group for 9 months 2014 made LTL 659.656 million (EUR 191.050 million), i.e. 0.62 per cent more compared to the same period last year. In 2013, the consolidated sales of nine months made LTL 655.565 million (EUR 189.865 million).

In 9 months 2014 the group's loss amounted to LTL 1.293 million (EUR 0.374 million). The consolidated net profit of the group for the nine months of 2013 was LTL 19.522 million (EUR 5.654 million).

8. Non-audited consolidated interim financial statements for 12 months of the year 2014

Non-audited consolidated sales of AB Rokiškio sūris Group for the period of 12 months of the year 2014 made LTL 860.613m (EUR 249.251m), i.e. 0.09 per cent less than in the same period last year. Audited consolidated sales for the period of 12 months of the year 2013 made LTL 861.355m. (EUR 249.466m).

Within 12 months 2014, the Group of AB Rokiškio sūris made a net loss of LTL 1.325m (EUR 0.384m). In 12 months 2013, the Group made LTL 32.785m (EUR 9.495m) of consolidated audited net profit.

Mainly the lower profit was caused by crisis in the world dairy market, which started in spring 2014, and which was strengthened by the Russian embargo on import of food products from the EU (herewith Lithuania).

The Group managed to maintain the same level of sales as last year despite the fall of export prices of the main dairy products by 40 per cent. Dramatic decrease of export prices however affected the profit results of the Group very much. The company could not abandon selling

unprofitably in the export markets as it had to pursue its commitments to farmers and to purchase contracted volumes of raw milk.

All information on the company's material events is presented following Article 28 of the Law on Securities of the Republic of Lithuania.

The company publishes its information through the base of Central Public Information, on the website of Vilnius Securities Exchange <http://www.baltic.omxnordicexchange.com> and the company's website www.rokiskio.com

42. Information on the publicly announced data after the end of fiscal year

Other information on the important events after the end of fiscal year is presented with the 31st December 2014 consolidated and parent company AB Rokiskio suris financial reports, under Remark 34 (page 50).

43. Information on audit

Audit of consolidated balance sheet of AB Rokiškio sūris (The Group) as at 31st December 2014 as well as related comprehensive income statement, cash flow and change in equity statements was performed by an international audit company UAB PricewaterhouseCoopers. An audit company to perform annual auditing of financial accounting is elected by the General Shareholders' Meeting, also the Meeting settles terms of payment for the audit. As the Company is a listed company and its financial accounting is handled in accordance with international standards, there is a requirements to elect an international audit company.

PricewaterhouseCoopers International Limited (PwC) is a network of companies providing audit and tax services, it is one of The Big Four (the other ones - KPMG, Ernst & Young, and Deloitte Touche Tohmatsu). UAB PricewaterhouseCoopers (PricewaterhouseCoopers Lietuva) is a legally independent company in Lithuania, a member of the global PwC network.

UAB PricewaterhouseCoopers in Lithuania provides assurance, actuarial, advisory, accounting, tax and legal services. Its clients include both multinational corporations and large local companies.

AB Rokiškio sūris Group paid LTL 136 thousand for the audit in 2014.

44. Performance strategy and evaluated changes in the nearest fiscal year

The performance of AB Rokiškio sūris is guided by a three year strategic plan whose main provisions are set forth as follows:

Mission:

AB „Rokiškio sūris“ = Reliable Dairy Industry Professionals (Patikimi Pieno Pramonės Profesionalai).

Strengths:

- Financial stability
- Attractive employer
- Sustainable management team
- Well known and esteemed brand

Long-term Objectives:

- To be a leading company of the sector in the Baltic countries
- To maintain the name of attractive employer further emphasizing the following
 - Corporate image/recognition;
 - Social guarantees for employees;
 - Decent partnership with raw materials' suppliers.

Although the year 2014 was not successful in the export markets, due to the Russian embargo in the East and dramatic drop of demand and prices in the West, the company will follow its fundamentals. AB Rokiškio sūris will further produce export production. The main challenge in the year 2015 and 2016 is to search for new markets and establish themselves in reliable, stable and profitable markets which would compensate the lost Russian market.

To reach the above targets it is essential to:

- develop cooperation with strong international partners;
- make more effective production procedures in order to reach highest quality at minimal cost;
- ensure steady supply of raw milk by improving cooperation with raw milk suppliers and aiming to have higher trust in the company.



**SUPPLEMENT TO THE CONSOLIDATED ANNUAL REPORT
2014**

**Rokiskio suris AB disclosure of compliance with the Governance Code of
the companies whose securities are traded on a regulated market**

Rokiskio suris AB, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 24.5 of the Listing Rules of AB NASDAQ OMX Vilnius, discloses its compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius, and its specific provisions.

PRINCIPLES/ RECOMMENDATIONS	YES/NO /NOT APPLIC ABLE	COMMENTARY
Principle I: Basic Provisions		
The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.		
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.	Yes	The Company announces its development strategy and objectives publicly in its annual reports and interim reports which are submitted via the central base of regulated information and the company's website.
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.	Yes	The Company's managing bodies act in furtherance of the strategic plan according to which the mission is to form a strong, financially sound and technically modern enterprise creating and constantly increasing its value for shareholders.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain	Yes	As the Company does not have a supervisory body – a Supervisory Board, the function of supervision is acted by the Audit Committee, as

<p>maximum benefit for the company and its shareholders.</p>		<p>well as the Board of Directors and the Company's manager in the manner of close cooperation (the Company's manager, and members of the Board when needed, are invited to participate at the meetings of the Audit Committee. They submit reports on the company's performance, implementation of strategic plan and budgeting, provide recommendations for the financial reporting), which benefits to both the Company and shareholders.</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>The Company's Board of Directors and managing bodies ensure the rights and interests of shareholders, employees, raw material suppliers are duly respected, also financial aid is provided. Employees can enjoy opportunities to improve their qualification at various seminars and courses in Lithuania and abroad. The Company closely cooperates with raw milk suppliers – financial support is provided to develop dairy farms, arrange some targeted trainings and seminars for farmers in order to enhance their knowledge of foodstuff preparation, animal breeding, promotion of organic farming.</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>		
<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.</p>	<p>No</p>	<p>The Company's managing bodies are a general shareholders' meeting, the Board of Directors and the Chief Executive Officer. The Company does not have a collegial supervisory body, and its functions are overtaken by the Board of Directors. The Company's CEO is accountable to the Board of Directors.</p>

<p>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.</p>	<p>Yes</p>	<p>Functions of the collegial management body are carried out by the Board of Directors.</p>
<p>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.</p>	<p>No</p>	<p>The Company has only one collegial management body and it is the Board of Directors.</p> <p>Shareholders of the company delegate all managerial function to the Collegial Body – The Board of Directors. They believe that one collegial body is sufficient to have effective management of the company.</p>
<p>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.</p>	<p>Yes</p>	<p>The Company has a collegial management body – the Board of Directors. Principles III and IV of the Code are applied to the Board of Directors which do not contradict with the functions assigned to the Board of Directors.</p>
<p>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.</p>	<p>Yes</p>	<p>According to the Articles of Association the Board of Directors consists of 5 members. Currently there are 4 Board members. One seat is vacant and it is expected for an independent candidate. As soon as the company's shareholders find an independent Board member, he/she will be introduced for election. The Company believes that 5 members are able to ensure productive work of the Board of Directors enabling to adopt resolutions and it is assumed that an individual member or small group do not dominate the decisions of the Board of Directors. Every Board member has one vote.</p>
<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</p>	<p>Yes</p>	<p>According to the Articles of the Association the Board of Directors is elected for the 4 year period. Number of cadencies is not limited. A possibility to resign or remove a member of the Board of Directors is regulated by the Lithuanian</p>

<p>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>legislation – a Board member may resign before his/her cadency is ended if the company is informed about it in written not later than 14 days in advance. A Board member may be recalled by the same institution which elected, i.e. general meeting of shareholders.</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>No</p>	<p>The Company's Board Chairman is not the Chief Executive Officer, but he is a director of daughter company.</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.</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>Only 1 Member of the Board of Directors of total 4 is a shareholder of the Company. Other members are not shareholders. Minor shareholders are not limited in their right to represent their interests and have their representative on the Board of Directors. Pursuing the resolution of general meeting of shareholders according to the Law on Joint Stock Companies the Board members are provided remuneration in the form of tantiemes</p>
<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</p>	<p>Yes</p>	<p>Information about the members of the Board of Directors (names, education, qualifications, professional experience, participation in the activities of other companies, other important</p>

<p>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>professional obligations) is provided in the periodical reports.</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>A candidate to the members of the Board inform general meeting of shareholders about his/ her education, professional performance, position and participation in the activities of other companies. Members of the Board provide information on the participation in qualification programs related with activities on the Board.</p>
<p>3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the collegial body shall be determined 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. At least one of the members of the remuneration committee should have knowledge of and experience in the field of remuneration policy.</p>	<p>Yes</p>	<p>The members of Company's collegial body – the Board of Directors – are the Company's Functional Directors leading some specific areas of the Company's performance, they are competent and qualified to maintain their functions.</p> <p>The Audit Committee consists of 3 members, one of which is independent and has at least 5 year experience in accounting. Other members of the Audit Committee are also qualified to maintain their functions. The Auditing Committee carries out independent and objective activities analyzing, evaluating and consulting the Company in order to improve the Company's performance and increase its added value.</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</p>	<p>No</p>	<p>All new Board members are informed on the Company's performance, organization and changes in the meetings of the Board of</p>

<p>review to identify fields where its members need to update their skills and knowledge.</p>		<p>Directors.</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 sufficient number of independent members.</p>	<p>No</p>	<p>Currently there are no independent members on the Board of Directors, however there is one seat left for an independent member of the Board.</p>
<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 dependent 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 	<p>No</p>	<p>As from 1995 until 2006, the greatest part of the Board of the Company was made of independent members. When the structure of shareholders changed, and the Board of Directors resigned, the new members were elected, and they do not comply with the Code's independency criteria.</p> <p>The function of Collegial Body to elect/nominate management is assigned to the General Meeting of Shareholders. Consequently, their decisions determine independency of the Collegial Body.</p>

<p>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);</p> <p>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);</p> <p>5) He/she does not have and did not have any material business relations with the company 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</p>		
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<p>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>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.</p>	<p>No</p>	<p>At present, there are no members who comply with the independency criteria.</p>
<p>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-</p>	<p>No</p>	<p>At present, there are no members who comply with the independency criteria. Within 2014, no other group of shareholders having no relations with the company's management have, not raised a will to have their member on the Company's Board, so they didn't offer a candidacy.</p> <p>Presently, it is expected to receive a proposal in</p>

confirmed.		regards with an independent Board member.
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. The general shareholders' meeting should approve the amount of such remuneration.	No	At present, there are no members who comply with the independency criteria.
<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 monitoring 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.	Yes	The Board of Directors approves and submits reciprocations and recommendations to a general meeting of shareholders regarding annual accountability of the Company, distribution of the profit, annual report of the Company, as well as carries out other functions.
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).	Yes	By the Company's information, all Board members should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders. They are guided by the Company's interests but not their own or any third parties seeking to maintain their independence in decision-making, and they do not accept any unjustified privileges that would compromise their independence.

<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 half 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>Each member of the collegial body fulfills his/her functions properly: actively participates at the meetings of collegial body, and devotes sufficient time to perform his/ her duties as a member of the collegial body. The quorum of each meeting was regulated so the Board of Directors would be enabled to accept decisions constructively. In 2013, there were 9 meetings of the Board. All Board meetings were participated by all members of the 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>	<p>The Company acts honestly and without bias with its shareholders. The shareholders are informed on the Company's activities in accordance with the Lithuanian legislation by announcing the information in annual reports, through the Central information base and the company's website.</p>
<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>The Company's collegial body concludes transactions according to the Articles of Association of the Company and Work regulations of the collegial body.</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 bodies. 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</p>	<p>No</p>	<p>The Company's Board members are not independent from the Executive management of the Company. All four board members are the company's employees. There is one seat left for an independent member. The Board of Directors pursues the Work Regulations of the Board in order to pass decisions. They work for benefit of</p>

<p>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. When using the services of a consultant with a view to obtaining information on market standards for remuneration systems, the remuneration committee should ensure that the consultant concerned does not at the same time advise the human resources department, executive directors or collegial management organs of the company concerned.</p>		<p>the Company, and ensure continuous rise of shareholder value.</p> <p>The Company ensures that the collegial body – the Board of Directors – is provided with sufficient resources (including financial) 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>The Remuneration Committee is not formed at the Company.</p>
<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</p>	<p>Yes/No</p>	<p>Pursuing the Law on Audit Article 52 part 1, the Company established the Audit Committee complying with the 21st August 2008 Resolution No. 1K-18 of the Securities Commission. Following the above requirements, the 24th April 2009 general meeting of shareholders approved Regulations of establishment and performance of the Audit Committee, also it elected an independent member of the committee, and approved full composition of the Audit Committee. The 26 April 2013 General Meeting of Shareholders elected the same members of the Audit Committee for further four year cadence.</p> <p>The Audit Committee is an independent, and objective committee carrying out the functions of supervision, analyzing, evaluation and consultation in order to improve general organization and create value added. The main function of the Committee is systematic and versatile evaluation, as well as encouragement of better risk management, and sufficient control and maintenance procedures resulting in submission of recommendations to the Board of Directors and management.</p> <p>The nomination and remuneration committees are</p>

<p>collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>		<p>not formed at the Company.</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 exercise independent judgment and integrity when exercising its functions as well as 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>	<p>No</p>	<p>The elected Audit Committee pursues the Regulations of the Audit Committee, including supervision of preparation of financial accounts, as well as functional internal control of the company, risk management and internal audit system, consequently the Committee will submit recommendations to the general meeting of shareholders in relation with the company's annual financial accounting and related matters. The collegial body remains fully responsible for the decisions made within its competence and adopts final decisions.</p>
<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 refreshed and that undue reliance is not placed on particular individuals. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.</p>	<p>Yes</p>	<p>The Audit Committee consists of 3 members, one of which is an independent member.</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>Yes</p>	<p>The Audit Committee pursues its duties following the work regulations approved by the general meeting of shareholders. The Committee is accountable to the general meeting of shareholders providing the information on its performance and results as well as the independence of auditing procedure.</p> <p>Every year the Audit Committee submits annual report to the General Meeting of Shareholders. The Company meanwhile provides information in its annual report on the composition of the committee, number of meetings and their attendance by the members, and also the key performance directions.</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>Yes</p>	<p>The Audit Committee will invite the CEO of the Company as well as other employees related with the discussed issues to their meetings. Also, the Chairman of the Committee is provided with the right to communicate with shareholders.</p>
<p>4.12. Nomination Committee.</p> <p>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 	<p>No</p>	<p>There is not a Nomination Committee in the Company.</p>

<p>delegated by the shareholders of the company;</p> <ul style="list-style-type: none"> • 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>		
<p>4.13. Remuneration Committee.</p> <p>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; 	<p>No</p>	<p>There is not a Remuneration Committee in the Company.</p> <p>The Company has established the remuneration policy covering all forms of remuneration including fixed wages and payoffs based on results, retirement modules, and redundancy pays.</p>

<ul style="list-style-type: none"> • 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 total compensation obtained by executive directors and members of the management bodies from the affiliated companies; • Ensure that remuneration of individual executive directors or members of management body is proportionate to the remuneration of other executive directors or members of management body and other staff members of the company; • Periodically review the remuneration policy for executive directors or members of management body, including the policy regarding share-based remuneration, and its implementation; • 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 		
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<p>above mentioned schemes, in particular stock options, and make any related proposals to the collegial body;</p> <ul style="list-style-type: none"> • 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> <p>4.13.4. The remuneration committee should report on the exercise of its functions to the shareholders and be present at the annual general meeting for this purpose.</p>		
<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, 	<p>Yes</p>	<p>The Audit Committee is independent, objective committee carrying out the functions of supervision, analyzing, evaluation and consultation in order to improve general organization and create value added. The key function of the Committee is systematic and versatile evaluation, as well as encouragement of better risk management, and sufficient control and maintenance procedures resulting in submission of recommendations to the general meeting of shareholders and the board of directors in order to implement set objectives.</p> <p>The Audit Committee analyses the consolidated financial information and provide their recommendations for the integrity of such information, the Committee make their recommendations regarding selection of the</p>

<p>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;</p> <ul style="list-style-type: none"> • 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</p>	<p>external auditor and inspects effectiveness of the external auditor's performance as well as the reaction of the Company's management to their recommendations which are provided by the letter to the management.</p> <p>All members of the committee are furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management informs the Audit Committee of the methods used to account for significant and unusual transactions.</p> <p>The Audit Committee has a right to demand that the Board Chairman, Chief Executive Officer of the company, Chief Financial Officer would participate at its meetings. The committee is also entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.</p> <p>The Audit Committee will present its performance report for the general meeting of shareholders, when the annual financial reports are being approved.</p>
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committee of the methods used to account for significant and unusual transactions where the 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.

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.

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.

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.

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

<p>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>		
<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	There is no practice of collegial body assessment.
<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	The Company's Board of Directors is chaired by the Board Chairman acting in accordance with the approved Work Regulations. The Board Chairman is responsible for sufficient information about the meeting being convened and its agenda communication to all members of the body. He/she also ensures order and working atmosphere during the meeting.
<p>5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the</p>	Yes	The company's collegial bodies should be carried out according to the schedule approved in

<p>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 month.</p>		<p>advance at certain intervals of time, i.e. not less than once per three month period.</p> <p>5 (five) days prior a meeting each Board member is provided with the announcement of the meeting to be convened and its agenda. Planned Board meetings are convened by the Board Chairman, in his absence – the Deputy Board Chairman.</p>
<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 (five) days prior a meeting each Board member is provided with the announcement of the meeting to be convened and its agenda. Planned Board meetings are convened by the Board Chairman, in his absence – the Deputy Board Chairman.</p> <p>The agenda might be supplemented only if all members of the Board of Directors present at the meeting, and they all agree that the item is important enough to be put on the agenda.</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-coordinating 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>No</p>	<p>The Company does not have a Supervisory Board and this statement is not applied.</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</p>	<p>Yes</p>	<p>As at 31st December 2014, the authorized capital of AB Rokiskio suris amounted up to 35,867,970 ordinary registered shares. Nominal value of the</p>

holders.		shares amounts to LTL 1. All company's owners have the same property and non-property rights, except treasury shares are not entitled to enjoy these rights. The company had bought 802,094 treasury shares which made 2.24 per cent of the company's authorized capital. The shares with voting right equals to 35,065,876.
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.	Yes	Investors have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance.
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. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.	No	According to the Articles of Association of the Company, important transactions, i.e. the decisions regarding investment, transference, lease or mortgage of non-current assets whose book value makes over 1/5 of the Company's Authorized Capital, as well as the decisions regarding execution, warranty or pledge of other bodies' liabilities whose total sum is over 1/5 of the Company's Authorized Capital, and the decisions to acquire non-current assets whose price is over 1/5 of the Company's Authorized Capital, do not require approbation by shareholders. Such resolutions (according to the Articles of Association) are approved by the Board of Directors.
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.	Yes	Shareholder meetings are held in the company's office in Rokiskis, Pramonės str. 3. Usually, general meetings of shareholders are held on the last Friday of April. In 2014, general meeting of shareholders was held on 25 th April 2014.
6.5. It is possible, in order to ensure shareholders living abroad the right to access to the information, it is recommended that documents on the course of the general shareholders' meeting should be placed on the publicly accessible website of the company not only in Lithuanian	Yes	The documents prepared for General meeting of shareholders including draft resolutions of the meeting are available not later than 21 day prior the date of general meeting of shareholders as required by the Law on Joint stock companies.

<p>language, but in English and /or other foreign languages in advance. 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 Lithuanian, 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.</p>		<p>The documents placed on the website of NASDAQ OMX Vilnius security exchange and the company website are available in Lithuanian and English languages.</p> <p>Resolutions accepted by the general meeting of shareholders including financial reports, the audit report, annual report, amendments of articles of association etc. are announce in Lithuanian and English languages are announced via the central base of regulated information of NASDAQ OMX Vilnius security exchange and the company website www.rokiskio.com</p>
<p>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.</p>	<p>Yes</p>	<p>Shareholders of the company have the right to participate at general meeting of shareholders personally or appoint a representative if there is a proper Power of Attorney or Agreement to pass votes according to the applicable legislation. Also, the Company provides its shareholders with the right to fill in a common voting bulletin as it is required by the Law on Joint Stock Companies.</p>
<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 by allowing the shareholders to participate and vote in general meetings via electronic means of communication. In such cases security of transmitted information and a possibility to identify the identity of the participating and voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially shareholders living abroad, with the opportunity to watch shareholder meetings by means of modern technologies.</p>	<p>No</p>	<p>This statement is not followed by the Company because there is not an opportunity to secure safety of the transmitted information and it is impossible to identify personality of the participator and voter.</p>
<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>	<p>Yes</p>	<p>Management bodies conduct in a way to ensure there is no personal interest conflicts. There have not been any such situations so far.</p>
<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>	<p>Yes</p>	
<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>	<p>Yes</p>	<p>The company follows the recommendation. A Board member abstains from voting, when discussing the transactions or other issues in which he/ she has certain interests.</p>
<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>The company follows the recommendation. A Board member abstains from voting, when discussing the transactions or other issues in which he/ she has certain interests.</p>

Principle VIII: Company's remuneration policy

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>8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement) which should be clear and easily understandable. This remuneration statement should be published as a part of the company's annual statement as well as posted on the company's website.</p>	<p>No</p>	<p>The company does not announce any reports on the remuneration system because it is regarded to be an internal confidential document. General information on the remuneration politics, average wages of the Company employees according to groups and total annual payouts to the Company's top management are publically announced in the Company's consolidated annual report.</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>Yes</p>	<p>As from 2004 and up to date, the Company applies a remuneration system which conforms all the statements of this point. The system is approved by the Company's manager, but it is not announced publicly.</p> <p>Information on total annual payouts to the Company's top management are publically announced in the Company's consolidated annual report and consolidated financial accounts.</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; • An explanation how the choice of performance criteria contributes to the long-term interests of the company; • An explanation of the methods, applied in order to determine whether performance criteria have been 	<p>No</p>	<p>As there is not a Remuneration Committee, the statements are not determined.</p>

<p>fulfilled;</p> <ul style="list-style-type: none"> • Sufficient information on deferment periods with regard to 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; • Sufficient information on the policy regarding termination payments; • Sufficient information with regard to vesting periods for share-based remuneration, as referred to in point 8.13 of this Code; • Sufficient information on the policy regarding retention of shares after vesting, as referred to in point 8.15 of this Code; • Sufficient information on the composition of peer groups of companies the remuneration policy of which has been examined in relation to the establishment of the remuneration policy of the company concerned; • A description of the main characteristics of supplementary pension or early retirement schemes for directors; • Remuneration statement should not include commercially sensitive information. 		
<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>The company does not announce any information on remuneration amounts or any other benefits received by the directors because the company believes this is a confidential information.</p>

<p>8.5. 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 8.5.1 to 8.5.4 for each person who has served as a director of the company at any time during the relevant financial year.</p> <p>8.5.1. 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>8.5.2. 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; 	<p>No</p>	
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<ul style="list-style-type: none"> • 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 of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights; • All changes in the terms and conditions of existing share options occurring during the financial year. <p>8.5.3. 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>8.5.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial report 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>8.6. Where the remuneration policy includes variable components of remuneration, companies should set limits on the variable component(s). The non-variable component of remuneration should be sufficient to allow the company to withhold variable components of remuneration when performance criteria are not met.</p>	<p>Yes</p>	<p>The Company applies the remuneration system according to which compensation for work consists of variable parts. The variable constituents are allocated to every function according to the overall functional management system.</p>
<p>8.7. Award of variable components of remuneration should be subject to predetermined and measurable performance criteria.</p>	<p>Yes</p>	<p>The variable constituents are allocated by the Company's management, taking into account the results of the Company's performance, number of</p>

		employees, market situation and other factors.
8.8. Where a variable component of remuneration is awarded, a major part of the variable component should be deferred for a minimum period of time. The part of the variable component subject to deferment should be determined in relation to the relative weight of the variable component compared to the non-variable component of remuneration.	Yes	When a variable part of compensation is allocated, the biggest part of the payment of variable part of compensation is reserved to the first quarter.
8.9. Contractual arrangements with executive or managing directors should include provisions that permit the company to reclaim variable components of remuneration that were awarded on the basis of data which subsequently proved to be manifestly misstated.	No	The variable part of compensation is only paid when its validity is fully certain.
8.10. Termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.	Yes	Termination payments are paid in accordance with the statements of Work Codex of the Republic of Lithuania article 140, and the statements of Corporate Agreement approved by the Company.
8.11. Termination payments should not be paid if the termination is due to inadequate performance.	Yes	Termination payments are not paid out if the job contract is terminated due to bad performance results.
8.12. 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.	No	The company doesn't have any other remuneration system designed to the directors except the variable part of salary which depends on the company's performance results, market situation and other factors.
8.13. Shares should not vest for at least three years after their award.	No	Remuneration is not based on share award.
8.14. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements should not be exercisable for at least three years after their award. Vesting of shares and the right to exercise share	No	Remuneration is not based on share award.

<p>options or any other right to acquire shares or to be remunerated on the basis of share price movements, should be subject to predetermined and measurable performance criteria.</p>		
<p>8.15. After vesting, directors should retain a number of shares, until the end of their mandate, subject to the need to finance any costs related to acquisition of the shares. The number of shares to be retained should be fixed, for example, twice the value of total annual remuneration (the non-variable plus the variable components).</p>	No	See point 8.13.
<p>8.16. Remuneration of non-executive or supervisory directors should not include share options.</p>	No	See point 8.13.
<p>8.17. Shareholders, in particular institutional shareholders, should be encouraged to attend general meetings where appropriate and make considered use of their votes regarding directors' remuneration.</p>	No	Shareholders are encouraged to attend general meetings of shareholders, yet the meetings do not consider issues of the directors' remuneration system. It is considered to be a prerogative of the Board of Directors.
<p>8.18. 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	See point 8.13.
<p>8.19. 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</p>	No	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 are not determined at the Company.

<p>shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.</p>		
<p>8.20. 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. 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>No</p>	<p>Schemes anticipating remuneration of directors in shares are not determined at the Company.</p>
<p>8.21. 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>No</p>	<p>There are no share subscription transactions or grants based on share price fluctuation.</p>
<p>8.22. Provisions of Articles 8.19 and 8.20 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>No</p>	<p>The employees of the company and subsidiaries do not get remuneration with shares.</p>
<p>8.23. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.19, the</p>	<p>No</p>	<p>See point 8.19.</p>

<p>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>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>The corporate governance framework assures the rights of stakeholders that are protected by law are respected. The company applies a Corporate Contract with employees, and the contract is signed by the CEO and Trade Union. Also it is ensured the interest holders are able to participate in governance. For example, participation of the company's employees and raw milk suppliers in the company's Capital. The greatest part of shareholders is the company's employees. The interest holders have the right to receive information required.</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</p>		

capital; creditor involvement in governance in the context		
<p>of the company's insolvency, etc.</p> <p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</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. <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>Yes</p>	<p>The company announces the information immediately via the central base of regulated information in both the Lithuanian and English languages simultaneously. The information is placed immediately so the information would be accessible to each shareholder simultaneously. In addition, the company when possible provides information before or after trading sessions of NASDAQ OMX Vilnius in order to ensure all shareholders and investors of the Company would have equal opportunities to get the information needed to make appropriate investment decisions. The company does not disclose any information possibly influencing share price prior it is announced publicly via the central data base of the regulated information.</p>
<p>10.2. It is recommended to the company, which is the parent of other companies, that consolidated results of the</p>	<p>Yes</p>	<p>The Company's consolidated annual reports and consolidated financial accounts disclose</p>

<p>whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.</p>		<p>information on the annual payments to employees, total sums annually paid to the top management and amount of tantiemes paid to the Board members.</p>
<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>		<p>The company's annual reports include information about the activities of Board members, participation in the activities of other companies as well as the amount of shares of the company owned by the members. Also, there is information about the average payment amounts.</p>
<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>	<p>Yes</p>	<p>Also, consolidated report includes information if the Board of Directors or top management were granted any loans, guarantees or support, as well as the information on any payments received for the work done at the collegial body.</p>
<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>	<p>Yes</p>	<p>The company announces the information immediately via the central base of regulated information in both the Lithuanian and English languages. The information is placed immediately so the information would be accessible to each shareholder simultaneously. In addition, the company when possible provides information before or after trading sessions of NASDAQ OMX Vilnius in order to ensure all shareholders and investors of the Company would have equal opportunities to get the information needed to make appropriate investment decisions. The company does not disclose any information possibly influencing share price prior it is</p>

		announced publicly via the central data base of the regulated information.
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient or in cases provided by the legal acts free of charge 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.	Yes	In the company's website, the company publishes all its reports which are placed in the central information base in Lithuanian and English, including the Company's annual report, a set of financial statements and other periodical reports prepared by the Company, as well as other stock events.
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.	Yes	In the company's website, the company publishes all its reports which are placed in the central information base in Lithuanian and English, including the Company's annual report, a set of financial statements and other periodical reports prepared by the Company, as well as other stock events.
<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>		
11.1. An annual audit of the company's financial reports and interim reports should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	Yes	An independent audit company performs auditing of the Company's and its subsidiaries individual and consolidated (the group) annual financial reports in accordance with International Accounting Standards applicable in the EU. An independent auditing company also evaluates conformity of annual report to the audited financial statements.
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.	Yes	The Board of Directors proposes an auditing firm to the general meeting of shareholders.
11.3. It is recommended that the company should disclose	Yes	The Audit Company has been paid for the service

<p>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>		<p>to supervise tax management. Such information shall be provided to the general meeting of shareholders.</p>
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