

# EMPLOYEE STOCK OPTION POLICY

## GENERAL PROVISIONS

The board of AB Invalda INVL,

**CONSIDERING** the Company's expansion strategy and goals,

**SEEKING** to provide employees of Group Companies with an interest in the Company's capital,

**IN KEEPING** with the provisions of existing legal acts,

submits this **EMPLOYEE STOCK OPTION POLICY** (hereinafter, the Policy) to the general meeting of shareholders of AB Invalda INVL for review and approval.

## DEFINITIONS

**The Company:** AB Invalda INVL, whose company code is 121304349 and whose registered address is Gynėjų St. 14 in the city of Vilnius in the Vilnius City Municipality.

**Employee:** any person who has a valid employment agreement with a Group Company on the date of a decision by the board of the Company to allocate options.

**Employee Stock Option Policy (the Policy):** the main principles and guidelines for giving Employees the opportunity to acquire shares of the Company.

**Group Companies:** the Company and/or any company in which the Company directly or indirectly owns 50 per cent or more of shares and the rights they grant on the date of a decision by the board of the Company to allocate Options.

## MAIN OBJECTIVES OF THE EMPLOYEE STOCK OPTION POLICY

1. To attract and retain a team of employees who are ambitious, educated, dynamic, loyal to the Group Companies, have a positive outlook and are responsible.
2. To ensure the realization of the goals of the Group Companies.
3. To encourage, recognize and reward the individual contribution and effective teamwork of employees of the Group Companies.
4. To give Employees the right to participate in the Company's ownership.

## DRAFTING AND APPROVAL OF THE EMPLOYEE STOCK OPTION POLICY

The Employee Stock Option Policy and changes and additions to it are drafted by the board of the Company and approved by the Company's general meeting of shareholders with a majority of no less than 2/3 of all the votes of the shareholders taking part in the meeting.

Approval of the Employee Stock Option Policy and any change to it is included in the agenda of the general meeting of shareholders as a separate item.

## IMPLEMENTATION OF THE EMPLOYEE STOCK OPTION POLICY

The decision regarding the specific number of ordinary registered shares of the Company for which during a given year Employees shall be offered options contracts and regarding the price of the shares is made, at the board's proposal, by the ordinary general meeting of shareholders with a majority of no less than 2/3 of all the votes of the shareholders taking part in the meeting.

The acquisition price of the shares is fixed and does not change depending on the operating results of the Company and/or other Group Companies or the price of the Company's ordinary registered shares on the regulated market.

Decisions regarding the specific Employees with whom options contracts are to be made and the specific number of shares that each Employee may acquire are made by the board of the Company within 20 business days after the ordinary general meeting of shareholders by whose decision the number of shares for which Employees are to be offered options contracts was established.

Each Employee who is granted the right to sign an options contract is notified, with signature required, within 10 business days of the decision made by the Company's board.

The Employee has the right to sign an options contract for the full number of shares offered or for a part of them, or to decline to sign the contract. The Employee may exercise this right within 10 business days of receiving notification from the board.

The Company shall announce the specific number of its ordinary registered shares for which options contracts have been concluded as stipulated in the legal acts regarding disclosure of material events.

The board of the Company determines the terms of the options contracts in keeping with the provisions of this Policy and existing legal acts. Changes and/or additions made to the Employee Stock Option Policy do not apply to previously signed options contracts.

Employees' right to acquire the Company shares for which they signed options contracts may be exercised during the third calendar year after signing the options contracts (the year in which the options contracts are signed is not included in the three-year period) after the ordinary general meeting of shareholders has taken place, in one of the following manners:

- 1) by them subscribing to newly issued ordinary registered shares of the Company, or
- 2) by selling to the Employees own shares which the Company has acquired.

The decision on the specific manner for exercising the options contracts is made by the board in keeping with the provisions of existing legal acts. Employees who have signed options contracts are informed in writing regarding the specific conditions for acquiring the Company's shares.

Employees who choose to exercise the rights they acquired through options contracts, and who have suitably fulfilled the obligations undertaken in the options contracts, are given shares of the Company (they are credited to a securities account opened in the name of the Employee) within 90 days after the ordinary general meeting of shareholders which takes place in the year foreseen in the options contracts for the exercise of the rights.

Signed options contracts may be terminated by decision of the Company's board if the employment agreement with the Employee ceases or if the Employee does not suitably fulfil the conditions of the employment agreement, breaches internal documents adopted by the employer or violates legal acts that are in force.

The Company shall announce the specific number of its ordinary registered shares acquired by Employees on the basis of options contracts in the manner established in the legal acts regarding disclosure of material events.