



Report released by AB SAMPO Bankas on Observance of the Code of Management for Companies Listed at Vilnius Securities Exchange

Pursuant to Section 3 of Article 21 of the Law on Securities of the Republic of Lithuania and Clause 20.5 of the Trading Rules of the Limited Liability Company Vilniaus Vertybinių Popierių Birža (Vilnius Securities Exchange), limited liability company SAMPO Bankas reveals herein how it observes the Code of Management for Companies, the securities of which are traded on the regulated market, as approved by Vilnius Securities Exchange, and specific provisions contained therein.

PRINCIPLES/ RECOMMENDATIONS	YES /NO/ NOT APPLICABLE	COMMENTARY*
<p>Principle I: Basic Provisions</p> <p>The key goal of a company should be meeting the interests of all shareholders in that company and ensuring continuous increase in the value of the shareholders' equity.</p>		
1.1. Company should prepare and announce publicly the Company Development Strategy and goals stating clearly how it plans acting in compliance with its shareholders' interests and increase shareholders' equity value.	Yes	The Bank follows the recommendation in so far as it does not contradict the requirements of legal acts standing in regulation of banking activities. The Bank's strategy and goals are published in compliance with the procedure set by respective legal acts.
1.2. Activities of all managerial bodies in the Company should be focused on implementation of strategic goals regarding the need to increase the shareholders' equity value.	Yes	The Bank follows this recommendation in pursuance with the values of SAMPO Group: benefit to a client, greatest possible activity, open talk, one team, bold distinctiveness and willingness to win.
1.3. Supervisory and managerial bodies in a Company should cooperate closely in search for the greatest possible benefit to the Company and shareholders thereof.	Yes	The Bank follows this recommendation. The Bank has the Supervisory Council and Board appointed by such Supervisory Council. Within limits of their own competences, these collegial bodies contribute to implementation of the Bank's activities and policies.
1.4. Supervisory and managerial bodies in a Company should ensure respect to the rights and interests not only of the Company's shareholders, but also other persons participating in corporate activities or related thereto (staff members, creditors, suppliers, clients, local community, etc.).	Yes	The Bank follows this recommendation through implementation of the Bank's internal regulations and external legal acts.
<p>Principle II: Corporate Management System</p> <p>The system of management in a company should ensure a strategic leadership to this company, efficient supervision of managerial bodies in the company, appropriate balance and distribution of functions among the managerial bodies, as well as protection of shareholders' interests.</p>		

<p>2.1. Besides the mandatory managerial bodies (the General Shareholders' Meeting and Head of the Company) as established by the Law on Companies of the Republic of Lithuania, it is recommended to form both, a collegial supervisory body and collegial managerial body in the Company. Formation of such collegial supervisory and managerial bodies ensures a clear separation of management and supervision functions in the Company, accountability and control for the Head of the Company, thus in its turn guaranteeing more effective and transparent process of management in the Company.</p>	<p>Yes</p>	<p>The Bank SAMPO Bankas AB follows this recommendation, as its collegial managerial bodies are: the General Shareholders' Meeting, Supervisory Council, Board and Head of the Management.</p>
<p>2.2. A collegial managerial body is responsible for strategic management in the Company and implements other essential corporate management functions. The collegial managerial body is responsible for effective supervision over activities of corporate managerial bodies.</p>	<p>Yes</p>	<p>Pursuant to the Law on Companies and Law on Banks of the Republic of Lithuania, SAMPO Bankas AB has passed the Statute, where in addition to other issues, separate functions of the Board and Supervisory Council are enforced following the aforementioned legal acts.</p>
<p>2.3. Where a Company decides to form just one collegial body, it is recommended to be a supervisory body, i.e. the Supervisor Council. In such a case the Supervisory Council is responsible for effective supervision over functions implemented by the Head of the Company.</p>	<p>Not applicable</p>	<p>The Company has its Supervisory Council and Board formed.</p>
<p>2.4. A collegial supervisory body elected by the General Shareholders' Meeting should be formed and function in compliance with the procedure as listed in Principles III and IV herein below. Should be the Company decides not to form any collegial supervisory body, forming however a collegial managerial body, the Board, Principles III and IV should apply to the Board in so far as they do not contradict the essence and purpose of the latter body.¹</p>	<p>Yes</p>	<p>A collegial body elected by the shareholder of the Bank shall be formed and function in so far as this does not contradict legal acts standing in regulation of banking activities.</p>
<p>2.5. Managerial and supervisory bodies in the Company should consist of such number of board members (executive managers) and supervisory council members (consultant directors) to prevent against the dominance of a separate person or small group of persons in passing decisions by the aforementioned bodies.²</p>	<p>Yes</p>	<p>The Board of SAMPO Bankas AB consists of 5 members, the Supervisory Council – of 4. This number has been fixed taking into consideration the requirements set in relevant legal acts standing in regulation of banking activities.</p>
<p>2.6. Consultant Directors or members of the Supervisory Board should be appointed for a certain fixed period with a possibility of individual re-election within maximum office terms allowed by relevant legal acts of the Republic of Lithuania to</p>	<p>Yes</p>	<p>Board members in SAMPO Bankas AB are elected for an office period of 2 (two) years, although the number of offices is not limited.</p>

¹ See footnote 3. Where a collegial body elected by the General Shareholders' Meeting is the Board, it should issue recommendations to a sole managerial body of the Company, the Head.

² Terms of *the Executive Manager (Director)* or *Consultant Director* should be used in cases, where a single collegial body is formed in a Company.

<p>ensure the required growth of occupational experience and sufficiently frequent re-confirmation of their status. A possibility of discharge of such officials should also be provided, although such procedure should be of at least the same complexity as compared to the Executive Manager or Board Member's discharge procedure.</p>		
<p>2.7. Chairman of a collegial supervisory body elected by the General Shareholders' Meeting may be a person, whose current or previous position in the Company could not be an obstacle to his/her performance of independent and impartial supervision. Where the Company does not form any Supervisory council, but does form the Board, it is recommended that the Chairman of such Board and Head of the Company could not be one and the same person. Former Head of the Company should not be immediately appointed to the Chairman's position of the collegial body elected by the General Shareholders' Meeting. Should the Company decide not to follow these recommendations, it must provide relevant information on measures to be undertaken in order to secure impartiality.</p>	<p>Yes</p>	<p>The Chairman of the Supervisory Council in SAMPO Bankas AB is not the Head of the Bank's Administration. In election of members to collegial managerial body, the Bank follows the requirements of the Law on Banks and other legal acts approved by the resolutions of the Board of the Bank of Lithuania, such as e.g. Resolution No. 105 on Election and Appointment of Bank Managers passed by the Board of the Bank of Lithuania on 17 June 2004 (the Official Gazette, 2004, No. 103-3825).</p>
<p>Principle III: Formation Procedure of a Collegial Body Elected by the General Shareholders' Meeting</p> <p>Formation procedure of a collegial body elected by the General Shareholders' Meeting in the Company should ensure representation of interests by minor shareholders of the Company, accountability of this body to shareholders, as well as objective supervision over the Company's activities and managerial bodies³ thereof.</p>		
<p>3.1. The formation mechanism of a collegial body elected by the general shareholders' meeting (further herein referred to as "the Collegial Body") should ensure performance of objective and impartial supervision over the managerial bodies in the Company, as well as due representation of interests by its minor shareholders.</p>	<p>Yes</p>	<p>Members of the collegial body elected by the general shareholders' meeting of the Bank are appointed only under relevant permission by the Bank of Lithuania. In pursuance with the requirements set by respective legal acts, the Bank of Lithuania as a supervisory institution for financial institutions in Lithuania makes its assessments on whether the candidates to member of the collegial body offered by the shareholder are in compliance with the requirements set by respective legal acts of the Republic of Lithuania</p>
<p>3.2. Names and surnames of candidates to members of the Collegial body, other information on their education, qualification, professional experience, current employment, other important professional</p>	<p>Yes</p>	<p>All aforementioned information is disclosed in so far as it does not contradict the requirements set in the legal acts standing in regulation of banking activities and is required thereby.</p>

³ It should be noted that in case where a collegial body elected by the general shareholders' meeting is the Board, the Board being a managerial body should ensure the supervision over a sole managerial body, i.e. the Head of the Company, rather than supervision over all managerial bodies in the company. This note shall also apply to Clause 3.1 contained herein.

<p>obligations and potential conflicts of interests must be disclosed to the Company's shareholders before the general shareholders' meeting providing sufficient time to make a decision for giving one's vote for one or another candidate. All circumstances that might have certain influence on a candidate's independence (see sample list on Recommendation No. 3.7) should be disclosed as well. Collegial Body should be informed on any further developments of information provided in the present Clause. Collegial Body should collect the data on its members as specified in this clause on the annual basis, and supply such data in the Company's annual report.</p>		
<p>3.3. Where a member to the Collegial Body is offered for appointment, his/her specific competence related directly to his/her job in the Collegial Body should be presented. So that shareholders and investors could evaluate whether such competence is further relevant, the Collegial Body should proclaim information on its own constitution, as well as competence by its separate members related directly to their activities in the Collegial Body in every annual report by the Company.</p>	No	<p>The Bank of Lithuania ranks whether a candidate is fit to act as a member of the Bank's collegial body in compliance with the Resolutions of the Board of the Bank of Lithuania (Board Resolution No. 105 Concerning Election or Appointment of Bank Managers, of 17 June 2004, Official Gazette, 2004, No. 103-3825) and other legal acts.</p>
<p>3.4. In order to maintain due qualification balance of the Collegial Body's members, the Collegial Body should fix its constitution taking into consideration the Company's structure and character of activities, and make a periodic evaluation thereof. The Collegial Body should ensure that its members as a whole would have multiple knowledge, opinion and experience for due performance of their tasks. Members of the audit committee as a whole should have the know-how and relevant experience in finances, accounting and/or audit of listed companies.</p>	Yes	<p>The Bank keeps to this recommendation. Members of the Board and Supervisory Council are only persons of highest qualification. Their fitness for such position is also confirmed by the bank of Lithuania after reviewing the candidates' questionnaires, motivation letters and CVs.</p>
<p>3.5. Any new member of the Collegial Body should be offered an individual program for his/her acknowledgement with the member's tasks, corporate organization and activities. The Collegial Body should make an annual inspection in order to identify the areas, where its members should renew their competences and knowledge.</p>	Yes	<p>The Bank ensures that new members of the Collegial Body would be introduced to their tasks, internal procedures and activities of the Bank.</p>
<p>3.6. In order to ensure due solution of all essential interest conflicts related to any member of the</p>	Yes	<p>In the process of selection and assessment of members of its Collegial Body, SAMPO Bankas AB</p>

⁴ The Code does not provide for a specific number of independent members for the Collegial Body. Many codes applicable in foreign countries do fix for appropriate number of independent members to form a collegial body (e.g. at least 1/3 or 1/2 of the total number). Although considering the novelty of the independent members' category in

<p>Collegial Body, sufficient number⁴ of independent members⁵ should be elected to the Collegial Body of the Company.</p>		<p>follows the requirements of legal acts as applicable thereto and is also under supervision of the Bank of Lithuania.</p>
<p>3.7. A member of the Collegial Body should be considered independent unless he/she is connected to the Company, its holding shareholder or administration thereof by any business, family and/or any other relations in which any conflict of interest originates or may originate and which might make a certain influence on such member's opinion. Whereas it is impossible to list all cases, in which a member of the Collegial Body can be independent, besides relations and/or circumstances in relation to identifying a member's independence vary in different companies, and the best practice for solving this issue is only pending, identifying the independence of a member of the Collegial Body should be based on the contents of relationships and circumstances rather than form thereof. Key criteria in identifying whether a member of the Collegial Body could be considered independent should be the following:</p> <ol style="list-style-type: none"> 1) Such member cannot be an executive manager or board member of the company or affiliated company (where the Collegial Body elected by the general shareholders' meeting is the Supervisory Council), and this restriction is applicable for recent five years in such person's career; 2) Such member cannot be employed in the company or any affiliated company, and this restriction is applicable for recent three years in such person's employment, with exception of cases where a member of the Collegial Body is not a member of superior management, and has been elected to the Collegial Body as an employees' representative; 3) Such member cannot receive or be having received any significant additional remuneration from the company or any affiliated company with exception of 	<p>No</p>	<p>SAMPO Bankas AB follows the requirements set in the legal acts and other laws in regulation of banking activities and principles of formation of its managerial bodies, as approved by the Board of the Bank of Lithuania.</p>

Lithuania, possible difficulties in selection of independent members, this Code provides for more flexible procedure and companies are allowed to decide by themselves on the issue of "sufficient" number of independent members. Greater number of independent members should of course be encouraged and would be considered more due example of company management.

⁵ It is noteworthy that in some companies due to a few minor shareholders, election of all members of the Collegial Body could be determined by votes of a major shareholder or several major shareholders. Although even a collegial body member elected by the key shareholders of the company may be treated as independent if he/she is in compliance with the independence criteria set in the Code.

remuneration payable for his/her duties as a member of the Collegial Body. Such additional remuneration shall also cover participation in share option transactions or any other payment schemes depending on the results of performed activities; but shall not cover any compensatory benefits payable according to a pension plan (including any deferred compensations) for former employment in the company (provided that such benefit is anyhow related to his/her subsequent position);

4) Such member cannot be a controlling shareholder (parent undertaking) or be a proxy of such shareholder (such control shall be identified in compliance with Section 1 Article 1 of the Council Directive 83/349/EEC);

5) Such member cannot have or have had within a preceding year important business relations with the company or its affiliated company, neither directly, nor as a partner, shareholder, director or superior employee to a legal entity having the aforementioned relations. Any legal entity which is an important supplier of goods or services (including financial, legal, advisory or consultative services), significant client or organization receiving essential payments from the company or a group thereof shall be considered as having the aforementioned business relations;

6) Such member cannot be a partner or employee of the current or former external audit company of the Company or affiliated company; and this restriction is applicable for recent three years in such person's partner's status/ employment;

7) Such member cannot be an executive manager or board member of other company, where the Company's executive manager or board member (in case of the Supervisory Council as a collegial body) is a consultant to the manager or member of the supervisory council, such member cannot also have any other essential relations with executive directors of the Company occurring in its participation in activities of other companies/ bodies;

<p>8) Such member cannot be holding office as a member in the Collegial Body for over 12 years;</p> <p>9) Such member cannot be a close family member of the Executive manager or Board member (in case of the Supervisory Council as a collegial body), or any other person referred to in paragraphs 1–8 herein above. Such close family member should be considered a spouse (cohabitant), children and parents.</p> <p>3.8. The contents of the independence term shall essentially be fixed by the Collegial Body itself. The Collegial Body is entitled to decide that although a certain member thereof is in compliance with the independence criteria specified in this Code still cannot be treated as independent member due to specific personal or any other company-related circumstances.</p>		
<p>3.9. Appropriate information on conclusions passed by the Collegial Body in identifying whether its certain member should be considered independent or not should be disclosed. In offering a member to the Collegial Body, the Company should declare whether or not it considers such member independent. Where a certain member in the Collegial Body is not in compliance with one or several independence criteria as fixed in the present Code, the Company should provide for its reasons why it considers such member independent. Besides, the Company should publish in its every annual report which members in the Collegial Body the Company considers independent.</p>	No	Any practice of assessment and declaring the Supervisory Council members independent has not still been applicable by AB SAMPO.
<p>3.10. Where one or several independence criteria set in the present Code have not been met for entire year, the Company should provide for the reasons why a specific member in the Collegial Body is considered independent. In order to ensure correctness of information provided in support to independence of the Collegial Body’s members, the Company should require the independent members to confirm their independence on a regular basis.</p>	No	The Bank follows the requirements of legal acts standing in regulation of banking activities.
<p>3.11. Members of the Collegial Body may be compensated out of the Company’s funds for their work and participation at meetings of the Collegial Body⁶. Amount of such remuneration should be</p>	Yes	The Company follows this recommendation while implementing its provisions in practice.

⁶ See footnote No. 3. Where the Collegial Body elected by the general shareholders’ meeting is the Board, it should issue recommendations to a sole managerial body of the Company – the Head.

approved by the general shareholders' meeting of the Company.		
<p>Principle IV: Duties and Responsibility of the Collegial Body Elected by the General Shareholders' Meeting</p> <p>The system of management in a Company should ensure due and effective functioning of the collegial body elected by the general shareholders' meeting; rights granted to such body should ensure effective supervision over the managerial bodies⁷ in the Company and protection of interests of all shareholders.</p>		
4.1. The Collegial Body elected by the general shareholders' meeting (further in this Principle referred to as "the Collegial Body") should ensure the integrity and transparency of the Company's financial accounting and control system. The Collegial Body should continuously issue recommendations to managerial bodies of the Company, supervise and control over their corporate management activities. ⁸	Yes	The Supervisory Council elected in SAMPO Bankas AB supplies its feedback and suggestions to the general shareholders' meeting concerning the annual financial accountability and profit distribution schemes of the Company, corporate annual report, Board activities and activities by the Head of the Company, as well as performs other functions of management of the Company as well as its managerial bodies, as are ascribed to the competence of the Supervisory Council.
4.2. Members of the Collegial Body should act honestly and carefully in favor of the Company and its shareholders and for the sake of their interests taking proper consideration to the employees' interests and social well-being. Independent members of the Collegial Body should: (a) under any circumstances retain their independence for analysis, decision-making and acts; (b) neither seek nor receive any unreasonable privileges which might discredit their independence; (c) clearly express their opposition to a decision being passed by the Collegial Body, when they think this might harm the Company. Where the Collegial Body has passed certain solutions, in respect to which an independent member has any serious doubts, such member should make relevant conclusion thereto. In case of retirement, an independent member should explain the reasons thereto in his/her letter to the Collegial Body or audit committee and, if necessary, even to a relevant independent body (institution).	Yes	According to the data possessed by SAMPO Bankas AB, all and any members of the Supervisory Council act in good-will towards the Bank, following the Bank's rather than their own or any third person's interests, seeking to maintain their independence in making decisions.
4.3. Each member of the Collegial Body should spend sufficient time and spare attention to performance of his/her duties as a member of the Collegial Body. Each member of the Collegial Body should undertake to limit his/her other professional obligations (especially the manager's duties in some other company) in such a way that they could not form any	Yes	SAMPO Bankas AB follows this recommendation in proper performance of functions by members of the Collegial Body, i.e. active participation in meetings of the Collegial Body, spending sufficient time to implementation of the Collegial Body member's functions.

⁷ See footnote No. 3.

⁸ See footnote No. 3. Where the Collegial Body elected by the general shareholders' meeting is the Board, it should issue recommendations to a sole managerial body of the Company – the Head.

<p>obstacles to his/her due performance of the Collegial Body member's duties. In case a member of the Collegial Body has participated in less than a half⁹ of all meetings of the Collegial Body within a corporate financial year, shareholders of the company should be notified on this.</p>		
<p>4.4. Where decisions passed by the Collegial Body may have a different influence on the Company's shareholders, the Collegial Body should treat all shareholders impartially and honestly. The Collegial Body should ensure proper notification of shareholders on corporate affairs, strategy, risk management and solving any conflicts of interest. The Company should have clearly set roles for members of the Collegial Body in their communication with shareholders and sharing their responsibility to shareholders.</p>	<p>Yes</p>	<p>The Bank follows the present recommendation in compliance with external legal acts of the Republic of Lithuania and internal provisions of the Bank standing in regulation of terms and cases applicable to supplying information to collegial bodies, including the shareholders.</p>
<p>4.5. It is recommended that transactions (except for insignificant ones due to low value or transactions made under standard conditions in performance of the Company's daily activities) made between the Company and shareholders thereof, members of supervisory or managerial bodies, or other legal or natural persons making certain influence on the Company's management activities or capable of making such influence should be confirmed by the Collegial Body. Any decision on approval of such transactions should be considered passed only in case the majority of members in the Collegial Body vote for such decision.</p>	<p>Yes</p>	<p>Transactions are made in compliance with requirements of legal acts standing in regulation of banking activities.</p>
<p>4.6. The Collegial Body should be independent in passing its decisions that might be significant to corporate activities and strategy. <i>Inter alia</i>, the Collegial Body should retain its independence from the managerial bodies in the Company¹⁰. Persons responsible for election of the Collegial Body members should make any influence on their work and decisions. The Company should ensure proper supply of resources (including financial) to the Collegial Body and committees thereof as required for performance of the functions thereof, including their right to information especially from the Company's employees, and the right to apply for an independent</p>	<p>Yes</p>	<p>In passing their decisions members of the Bank's Collegial Bodies follow the requirements set in legal acts in regulation of banking activities.</p>

⁹ It is noteworthy that the Company may tighten the aforementioned requirement and fix that shareholders should be informed about a member of the Collegial Body poorly attending the meetings (e.g. if such member participated just in less than 2/3 or 3/4 of such meetings). Such measures to ensure active participation in meetings of the Collegial Body should be encouraged and treated as an example for due corporate management.

¹⁰ See footnote No. 3. Where the Collegial Body elected by the general shareholders meeting is the Board, the recommendation regarding its independence from the managerial bodies in the Company should apply in so far as it is related to the Board's independence from the Head of the Company.

<p>professional advice to external law, accounting and any other experts on the issues ascribed to the competence of the Collegial Body and committees thereof.</p>		
<p>4.7. Activities of the Collegial Body should be organized so that independent members in such Body could make an influence in the areas of great importance, where the possibility of conflicts of interests is especially high. Such areas of great importance are considered: issues related to appointment of directors of the Company, fixing salaries to directors of the Company, as well as Company audit control and supervision. Therefore in case the aforementioned issues are ascribed to the competence of the Collegial Body, the Body is recommended to form the appointment, salaries and audit committees. Companies should guarantee implementation of functions ascribed to the appointment, salaries and audit committees, although they are allowed to join these functions together and form less than the aforementioned three committees. In such a case companies should explain in detail, why they have selected an alternative approach, and how such alternative approach complies with the goals fixed for three separate committees. In companies having a few members in their Collegial Body, the functions provided for the three committees may be performed by the Collegial Body itself provided that it is in compliance with the constitution requirements set to such committees and provided that they disclose relevant information on this issue. In such a case provisions contained in the present Code related to committees within the Collegial Body (especially those regarding the role, activities and transparency thereof) should apply when they fit for the entire Collegial Body.</p>	<p>Yes</p>	<p>SAMPO Bankas AB keeps to this recommendation, as it forms the committees compulsory in compliance with the procedure provided for by respective legal acts.</p>
<p>4.8. The key goal of committees is to increase the efficiency of work in the Collegial Body by ensuring that the decision making process would be carried out after due consideration only, and help to organize work so that any essential conflicts of interests would make any influence on the decision making by the Collegial Body. Committees should issue recommendations to the Collegial Body in relation to a decision passed by the Collegial Body, although the final decision should fall upon the Collegial Body itself. This recommendation for committee formation is not aimed at narrowing the competence of the Collegial Body or shifting it on the committees. The Collegial Body should be fully responsible for decisions passed within the scope of its competence.</p>	<p>Yes</p>	<p>The Bank keeps to this recommendation. In implementation of their functions, all and any committees formed in the Bank follow the requirements set to their activities fixed by the Bank's internal as well as external legal acts.</p>

<p>4.9. Committees formed by the Collegial Body should consist of at least three members. In companies having a few members in their Collegial Body, committees may be formed as an exception consisting out of two members. The majority among committee members should be made by independent members of the Collegial Body. In case any supervisory council is formed in the company, the salary and audit committees must consist exclusively of consultant directors.</p>	<p>Yes</p>	<p>SAMPO Bankas AB keeps to this recommendation in pursuance of the requirements set in legal acts standing in regulation of banking activities.</p>
<p>4.10. The Collegial Body should fix the powers for each newly formed committee. Committees should perform their duties in compliance with the powers set thereto and inform on a regular basis the Collegial Body on implemented activities and outcome thereof. Powers for each committee defining its role, rights and obligations should be announced at least once annually (as a part of information also announced publicly on a yearly basis about the company's managerial structure and practice). Companies should also publish in their annual reports the reports by their existing committees on their constitution, number of meetings and members' presence at such meetings within a previous year, as well as their main trends of activities. The audit committee should confirm whether it is satisfied with independence of the implemented audit procedure and describe in short the actions undertaken in order to make such a conclusion.</p>	<p>Yes</p>	<p>Powers and accountability of committees in SAMPO Bankas AB are fixed in special regulations (procedures) approved by the supervisory council or board depending on which body's initiative and scope of competence the relevant committee is being formed.</p>
<p>4.11. In order to secure a committee's independence and objectivity, members of the Collegial Body who are not members in a certain committee should usually have a right to participate at meetings of that committee only upon an invitation of that committee. The committee may invite or require participation of certain employees or experts in its meeting. Chairman of each committee should have a chance of keeping direct contacts with shareholders. Rules standing in regulation of activities of a certain committee should list all cases for such direct contact with shareholders of the Company.</p>	<p>Yes</p>	<p>The Bank keeps to this recommendation, as it organizes activities of its certain committees, in compliance with respective legal acts standing in regulation of such committees' activities as approved by the Bank of Lithuania, as well as other legal acts.</p>
<p>4.12. Appointment Committee 4.12.1. Key functions of an appointment committee should be the following: (i) selection of candidates to vacancies in managerial bodies of the Company and issuing recommendations to the Collegial Body for their consideration. The appointment committee should regard the competence, knowledge and experience balance</p>	<p>No</p>	<p>SAMPO Bankas AB has any Appointment Committee. The procedure on <i>Election or Appointment of Bank Managers</i> approved by the Bank of Lithuania is applied in appointing certain staff members.</p>

<p>within a relevant managerial body, prepare a description of functions and skills required for a certain position and consider the time required for implementation of a certain obligation. The appointment committee may also assess candidates to members of the Collegial Body offered by shareholders of the Company;</p> <p>(ii) evaluate the structure, size, constitution and activities of supervisory and managerial bodies in the Company on a regular basis, issue recommendations to the Collegial Body on how to achieve the desired changes;</p> <p>(iii) appraise skills, knowledge and experience of separate directors on a regular basis and notify this to the Collegial Body;</p> <p>(iv) draw attention to planning of continuation;</p> <p>(v) review the policies of managerial bodies regarding the election and appointment of senior management.</p> <p>4.12.2. The appointment committee should consider proposals made by other persons including the Company's administration and shareholders. In solving the issues related to executive managers or board members (where the Collegial Body elected by the general shareholders meeting is the supervisory council) and senior management, the Head of the Company should be consulted with the right granted thereto to supply proposals to the appointment committee.</p>		
<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of a remuneration committee should be the following:</p> <p>(i) supply offers regarding the policy of salaries payable to members of managerial bodies and executive managers, to the Collegial Body for consideration. Such policy should cover any form of remuneration including any fixed salaries, remuneration schemes depending on results of activities, pension models and severance pays. Offers related to remuneration schemes depending on results of activities should be supplied with recommendations for relevant goals and evaluation criteria; the purpose of such recommendations is to balance appropriately salaries payable to executive managers and members of other managerial bodies according to the long-term interests and goals of shareholders fixed by the Collegial Body;</p> <p>(ii) supply offers to the Collegial Body regarding individual salaries for executive managers and members of managerial bodies so that such salaries would be in compliance with corporate remuneration policies and appraisal of activities of such persons. In</p>	<p>No</p>	<p>SAMPO Bankas AB has any committee of remuneration. Salaries to the Board members are fixed by the shareholder according to the relevant data on the salary market. Shareholder also confirms all motivation (promotion) measures.</p>

<p>implementation of this function the Committee should be well-informed on average salaries payable to executive managers and members of managerial bodies by other related companies;</p> <p>(iii) supply offers to the Collegial Body regarding appropriate forms of contracts with executive managers and members of managerial bodies;</p> <p>(iv) contribute to the Collegial Body's supervisory activities on how the Company follows the applicable regulations concerning disclosure of information related to salaries (remunerations) (especially concerning information on remuneration policies applied and individual salaries granted to directors);</p> <p>(v) issue general recommendations to executive managers and members of managerial bodies concerning amount and structure of remunerations payable to the superior management (as defined by the Collegial Body itself), as well as monitor the amount and structure of remunerations payable to the superior management based on appropriate information to be supplied by executive managers and members of managerial bodies.</p> <p>4.13.2. In case of a need to solve the issue of incentive related to share option transactions or other incentives in relation to shares to be applied to directors or other staff members, the Committee should:</p> <p>(i) consider the general policy of application such incentive schemes by making a special focus on incentives related to share options and supply relevant offers to the Collegial Body;</p> <p>(ii) analyze information supplied on this issue in the annual report of the Company and documents related to shareholders' meetings;</p> <p>(iii) supply offers to the Collegial Body on an alternative of option transactions for subscription of shares and option transactions for purchase of shares, by defining the reasons and outcome for such alternative.</p> <p>4.13.3. In solving the issues falling within the scope of its competence, the Remuneration Committee should get interested at least in the opinion of the Chairman of the Collegial Body and/or Head of the Company regarding remunerations payable to executive managers and member of managerial bodies.</p>		
<p>4.14. Audit Committee</p> <p>4.14.1. Key functions of an audit committee should be the following:</p> <p>(i) monitor the integrity of financial information provided by the Company, especially focusing on eligibility and consistency of accounting methods</p>	<p>No</p>	<p>Functions of the internal audit committee of the Bank are different from the specified herein. The internal audit committee of the Bank performs the functions established by the resolution No. 148 <i>Concerning</i></p>

<p>applied in the Company and group (including the consolidation criteria for financial accountabilities within the company group);</p> <p>(ii) at least once in a year to review the internal control and risk management systems in order to ensure proper identification and management of key risks (including the risk related to observance of applicable law and regulations), as well as disclosure of information in relation thereto;</p> <p>(iii) ensure efficiency of internal audit functions, <i>inter alia</i>, in issuing recommendations regarding the selection, appointment, reappointment and discharge of the head of internal audit department, and the budget of the aforementioned department, as well as in monitoring how the Company's administration is responding to the opinion and recommendations by this department. Whereas the Company has no internal audit function, the committee should evaluate the Company's need to have such a function at least once in a year;</p> <p>(iv) issue recommendations to the Collegial Body in relation to the selection, appointment, reappointment and discharge of an external audit company (all this being performed by the general shareholders' meeting) and conditions of contract within an audit company. The committee should investigate situations due to which a basis is formed for an audit company or auditor to resign, and issue recommendations for action required in such situations;</p> <p>(v) in monitoring the independence and impartiality of an external audit company it is important to examine whether an audit company is observing requirements set for rotation of audit partners, as well as amount of remuneration payable by the Company to an audit company and similar issues. In order to prevent against essential conflicts of interests, the committee based <i>inter alia</i> on the data published by an external audit company on all remunerations payable to the audit company and group thereof by the Company or its group should continuously monitor the character and scope of non-audit services. Pursuant to the principles and guidelines fixed by the EU Commission Recommendation 2002/590/EC as of 16 May 2002, the committee should fix and apply a formal policy defining types of non-audit services, purchasing of which from the audit company is: (a) not allowed; (b) allowed after the committee's consideration and (c) allowed without any separate address to the committee;</p> <p>(vi) inspect the efficiency of external audit process and administration's response to recommendations issued by an audit company in its letter to the</p>		<p><i>Approval of General Regulations for Organization of Internal Audit in the Bank</i> by the Bank of Lithuania on 2 September 2004.</p>
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<p>Company's management.</p> <p>4.14.2. Detailed information in relation to specific accounting, financial and other operational peculiarities in the Company should be available to all committee members. Administration of the Company should inform the audit committee on accounting methods of important and extraordinary transactions, where such accounting could be carried out in different ways. In this case, a special attention should be paid to the Company's activities at its offshore centers and/or activities implemented through its special-purpose companies (organizations) or justification of such activities.</p> <p>4.14.3. Audit committee should establish whether the chairman of the Collegial Body, Head of the Company, Chief Financier (or other superior staff in charge of the corporate finance and accounting), internal and/or external auditor could participate at its meetings (and if yes, so when). The committee should be provided with a possibility to meet (where necessary) with appropriate persons in absence of executive managers and members of managerial bodies.</p> <p>4.14.4. Internal as well as external auditors should be provided with not only effective working relations with the administration, but also with unlimited possibilities to contact the Collegial Body. To this end an audit committee should act as a key institution for maintenance of relations with internal as well as external auditors.</p> <p>4.14.5. Audit committee should be informed on the agenda of internal auditors and keep receiving internal audit reports or period summary thereof. Audit committee should be also informed about the work procedure of external auditors and receive a report from relevant audit company with described relations between such independent audit company and the Company and its group. The committee should receive timely information on any issue related to audit in the Company.</p> <p>4.14.6. Audit committee should inspect whether the Company observes the provision in regulation of the possibilities to its staff members to complain or anonymously notify on any suspicion about essential violations in the Company (usually such notices are send to an independent member of the Collegial Body), and it should ensure that an appropriate procedure is fixed for proportion and independent investigation of such matters and appropriate further actions.</p> <p>4.14.7. Audit committee should supply its activity reports to the Collegial Body at least once in six</p>		
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<p>months, simultaneously with approvals of annual or semi-annual corporate reports.</p>		
<p>4.15. The Collegial Body should made an annual evaluation of its activities. Such evaluation should consist of assessments of structure, work organization and team work, and appraisals of competence and work efficiency for each separate member in the Collegial Body, as well as a general evaluation on the Collegial Body's achievement of the set goals. The Collegial Body should at least once a year announce (as a part of information being announced by the Company annually on its management structures and practice) appropriate information on its internal structure and procedures of activities, as well as indicate what kind of essential changes have been determined by the self-evaluation performed by the Collegial Body.</p>	<p>Yes</p>	<p>The Board of the Bank supplies periodic information on its activities to the Supervisory Council of the Bank.</p>
<p>Principle V: Procedure of Activities of the Collegial Bodies in a Company</p> <p>Procedure fixed on activities of collegial supervisory and managerial bodies in the Company should ensure effective work and decision-making process by these bodies, as well as encourage active cooperation between separate bodies in the Company.</p>		
<p>5.1. Collegial supervisory and managerial bodies in the company (the term "Collegial Bodies" in this Principle covers collegial supervisory and managerial bodies) should be managed by chairmen of such respective bodies. The chairman of a collegial body is in charge of proper calling of meetings of such collegial body. The chairman should also be responsible for proper notification of all members in the collegial body on the meeting being called and such meeting agenda. He/ she should also ensure proper management in the meetings of such collegial body, as well as order and working atmosphere during the meeting.</p>	<p>Yes</p>	<p>The Bank is in full observance of this recommendation as it has appointed chairmen to the Board, Supervisory Council and separate committees.</p>
<p>5.2. It is recommended to held meetings of the Company's collegial bodies with appropriate periodicity, according to prior approved schedule. Each company is free to decide, on the frequency of calling such meetings of its collegial bodies. Although it is recommended to held such meetings at such periodicity that ensures continuous solution of the Company's managerial issues. Meetings of the Company's supervisory council should be called at</p>	<p>Yes</p>	<p>Meetings of the Supervisory Council of the Bank are held according to the fixed schedule at least once in a quarter, and Board meetings once a week.</p>

least once in a quarter, and meetings of the Board - at least once in a month. . ¹¹		
5.3. Members of the collegial body should be informed on the meeting being called in advance in order they have sufficient time to prepare for consideration of issues to be analyzed at such meeting and thus a useful discussion could be held and correct decisions passed afterwards. With the notice on the call of the meeting, members of a collegial body should be provided with all information related to the agenda of such meeting. The agenda should not be changed or supplemented during the meeting with exception of cases where all members of a collegial body are present at the meeting, or where some urgent matters for the Company should be solved.	Yes	The Bank follows this recommendation in compliance with its internal legal acts providing for the procedure of calling meetings of collegial bodies and the term of supply of related materials to the members.
5.4. In order to coordinate the activities of collegial bodies in the Company and ensure effective decision-making process, chairmen of collegial supervisory and managerial bodies in the Company should mutually reconcile the dates of meetings to be called, agendas thereof and act in close cooperation in solving any other issues related to corporate management. Meetings of the supervisory council of the Company should be open to members of the Board, especially in cases, where the issues related to cancellation and responsibilities of board members, fixing salaries thereto are discussed at such meeting.	Yes	The Bank follows this recommendation.
<p>Principle VI: Impartial Treatment of Shareholders and Rights of Shareholders</p> <p>The system of management in the Company should ensure impartial treatment of all shareholders in the company including minor shareholders and foreigners. The system of management in the Company should ensure protection of shareholders' rights.</p>		
6.1. It is recommended that the authorized capital is the Company should consist only of shares providing to the holders thereof equal voting, ownership, dividend and any other rights.	Yes	The authorized capital of the Bank has been formed only of simple registered shares. The Bank has a sole shareholder.
6.2. It is recommended to create conditions for investors in advance, i.e. before buying shares, get acquainted with the rights granted by shares being newly issued or issued shares.	No	The Bank does not trade in its shares publicly.

¹¹ The periodicity of calling meetings of corporate collegial bodies established by the present Recommendation should be applicable in cases, where the Company forms both collegial bodies – the supervisory council and board. Where the Company forms just one collegial body the periodicity of its meetings may be same as is established for the supervisory council, i.e. at least once in an annual quarter.

<p>6.3. Transactions important to the Company and its shareholders, such as assignment of the Company's assets, investment, charge or any other encumbrance over the corporate property should be made only under the shareholders' approval¹². All shareholders of the Company should be provided with equal possibilities for getting acquainted with and making decisions important to the Company, also including the approval of the aforementioned transactions.</p>	<p>Yes</p>	<p>SAMPO Bankas AB keeps to the requirements provided by legal acts standing in regulation of providing information to corporate shareholder(-s).</p>
<p>6.4. Procedures for calling and conducting general shareholders' meetings in a company should provide equal opportunities to shareholders to participate at the meeting and should not infringe shareholders' rights and interests. Selected place, date and time for a general shareholders' meeting should not prevent shareholders from their active participation at such meeting. All shareholders in a company should be provided with a chance to ask questions to members of corporate supervisory and managerial bodies related to the agenda of the given general shareholders' meeting and get answers thereto prior to such general meeting.</p>	<p>Yes</p>	<p>The Bank SAMPO Bankas AB follows this recommendation.</p>
<p>6.5. It is recommended to place the documents prepared to a general shareholders' meeting including draft decisions for such meeting publicly on the Company's Internet website.¹³ Minutes of the general shareholders' meeting and decisions made after signing thereof are also recommended to be placed publicly on the corporate website. In order to ensure foreigners' right to get acquainted with the aforementioned information, the documents mentioned in this recommendations should if possible be published also in English and/or any other foreign language. It is recommended to place publicly on the corporate website the relevant documents not in full scope, if such public placement might anyhow harm the Company or corporate commercial secrets could</p>	<p>Yes</p>	<p>SAMPO Bankas AB notifies its sole shareholder on a called meeting in compliance with the procedure provided by the Law on Companies of the Republic of Lithuania.</p>

¹² The Law on Companies of the Republic of Lithuania (the official Gazette, 2003, No. 123-5574) does no longer ascribe the decisions on investment, assignment, lease, charge, acquisition, etc. of the long-term corporate assets that equal to more than 1/20 of the Company's authorized capital to the competence of the general shareholders' meeting. Although important transactions essential to the corporate activities should be considered at the general shareholders' meeting and receive the support thereof. This is not banned by the Law on Companies. But in order to avoid obstacles to the corporate activities and prevent against too often transaction consideration at the Meeting, companies are allowed to establish the criteria for important transactions by themselves to select transactions for which an approval by the general shareholders' meeting is required. By fixing such criteria to important transactions companies may also follow the criteria as are provided in paragraphs 3, 4, 5 and 6 of section 4, Article 34 of the Law on Companies of the Republic of Lithuania, or deviate therefrom regarding the character of their operational activities and seeking to ensure continuous and effective activities of the company.

¹³ Prior placement of the aforementioned documents on corporate WebPages should be carried out taking into consideration the term of 10 days prior to the meeting as fixed in section 7, Article 26 of the Law on Companies of the Republic of Lithuania (the official Gazette, 2003, No. 123-5574).

be thus disclosed.		
6.6. Shareholders should be provided with possibilities to vote at the general shareholders' meeting by participating therein personally or in other ways. Any obstacles should not be made to shareholders for voting in advance by mail, filling in the general voting ballot.	Yes	Bank shareholder can realize its right to participate at the general shareholders' meeting by personal presence, also by proxy (under appropriate power of attorney); the Bank also creates proper conditions to its shareholder to vote by filling in the general ballot as it is provided by the Company Law.
6.7. In order to increase shareholders' possibilities to take part in corporate meetings, companies are recommended to apply widely advanced technologies in their voting process and thus ensure their shareholders' voting by the use of terminal telecommunication equipment. In such cases security of such telecommunication equipment should be guaranteed, text protection and possibility to identify a voter's signature. Besides, companies could create proper conditions to their shareholders, especially foreigners, to watch shareholders' meetings with the use of modern technologies.	Yes	The Bank follows this recommendation through using advanced technologies for voting at its shareholders' meetings.
<p>Principle VII: Avoidance of Conflicts of Interests and Disclosure thereof</p> <p>The system of management in the Company should encourage members in the bodies of the Company to avoid any interests of conflicts and ensure transparent and effective mechanism for disclosure of conflicts of interests among members in the bodies of the Company.</p>		
7.1. A member of any supervisory or managerial body in the Company should avoid any situation, where his/her personal interests contradict or may contradict the Company's interests. Should such situation eventually happen, the member of the Company's supervisory or managerial body should notify other members in the same body or the corporate body responsible for his/her election, or shareholders of the Company on such situation of the conflict of interests by specifying the character of interests and, if possible, also the value.	Yes	The Bank follows this recommendation whereas members of its supervisory council or board behave in accordance with the present Recommendations in so far as they do not contradict the regulations applicable to collegial bodies of the Bank.
7.2. A member of any supervisory or managerial body in the Company should never mix up the Company's assets, the use of which has not been discussed therewith on a special basis, with his/her own property, or use it or information received thereby due to his/her duties as a member in the supervisory or managerial body for personal benefit or the benefit of any other third person, without a proper consent by the general shareholders' meeting or any other corporate body authorized by the meeting.	Yes	

<p>7.3. A member of a supervisory or managerial body in the Company is entitled to make a deal with the relevant Company. He/ she must immediately notify other members in the same corporate body or the corporate body responsible for his/her election, or shareholders of the Company on any such transaction being made (with exception of insignificant deals of low value, or such transactions, which have been made in performance of the Company's daily business under standard conditions) in writing or orally, by inclusion thereof to the minutes of the relevant meeting. In making transactions listed in the present recommendation, the recommendation 4.5 should also apply.</p>	<p>Yes</p>	
<p>7.4. A member of a supervisory or managerial body in the Company should abstain from voting, when decisions are being passed on transactions or other issues to which the aforementioned member is related by his/her personal or objective interest.</p>	<p>Yes</p>	<p>The Bank follows this recommendation whereas such obligation is also fixed by legal acts standing in regulation of banking activities.</p>
<p>Principle VIII: Corporate Remuneration Policy</p> <p>Procedure fixed in the Company for remuneration policy, approval, review and announcement of the directors' remunerations should prevent against any possible conflict of interests and infringements in fixing the directors' salaries, as well as ensure the publicity and transparency of corporate remuneration policy and directors' remunerations.</p>		
<p>8.1. The Company should publish its remuneration policy report (further referred to as "the Remuneration Report"). This report should be a part of the Company's annual statement. The Remuneration Report should also be placed on the corporate Website.</p>	<p>No</p>	<p>The Bank publishes only the sum of remunerations paid to the Board members with additional payments in its annual financial accountability and report, which in compliance with procedure fixed by respective legal acts is supplied to the Securities Commission.</p>
<p>8.2. Corporate Remuneration Report should be mostly focused on the remuneration policy of the Company's directors within the next and, where appropriate, within even further financial year. Such Report should also review the implementation of the remuneration policy in the preceding financial year. A special focus should be made on essential changes within the corporate remuneration policy as compared with the preceding financial year.</p>	<p>No</p>	<p>The Bank does not follow this recommendation, as it has any separate management remuneration policy. The matters of appointment of directors and fixing salaries thereto are solved in coordination with the shareholder, inside the Bank; and is considered information constituting the Bank's commercial secret, as well as amounts of salaries of any other employees in the Bank.</p>
<p>8.3. The following information should be supplied in a Corporate Remuneration Report: (i) the ratio between variable and non-variable parts of directors' salaries and explanation thereof;</p>	<p>No</p>	<p>The Bank does not follow this recommendation; see commentary for Clause 8.2.</p>

<p>(ii) sufficient information on the criteria of operational results, which are used for grounding the right of participation in share option transactions, right to shares or variable parts of one's salary;</p> <p>(iii) sufficient information on interconnection between the remuneration and operational results;</p> <p>(iv) key criteria for annual bonus scheme and any other benefit in kind, as well as the basis thereto;</p> <p>(v) description of key features of additional pensions or early retirement schemes applied to directors; although the Remuneration Report should not contain any information non-publishable in the commercial aspect.</p>		
<p>8.4. The Corporate Remuneration Report should also summarize and explain the corporate policy related to conditions of employment contracts made with executive managers and other members of managerial bodies. This could encompass, <i>inter alia</i>, information on terms of contracts made with executive managers and members of managerial bodies, applicable terms for notices on one's quitting the job and detailed information on severance pays and other benefits related to early termination of contracts made with executive managers and members of managerial bodies.</p>	Yes	The Bank's Statute provides for some provisions as listed in this clause in so far as it is required by legal acts regulating banking activities.
<p>8.5. Besides, information related to preparatory and decision-making process, during which the corporate directors' remuneration policy is established, should be also revealed. This information should encompass the data, if applicable, on the Remuneration Committee's powers and constitution, names and surnames of independent experts, whose services have been used in fixing the remuneration policy, as well as the role of the general annual shareholders' meeting.</p>	No	In fixing the managers' salaries, as well as in fixing salaries to any other staff members, the Bank follows the results obtained during market researches and upon the shareholder's approval implements them. Although any amounts of salaries are never publicly announced in the Bank.
<p>8.6. Without diminishing the role of the corporate bodies responsible for fixing directors' salaries, remuneration policy and any other essential change made thereto should be included to the agenda of the general annual shareholders' meeting. The Remuneration Report should be presented for shareholders' voting at such general meeting. Such voting could be of compulsory as well as deliberative character.</p>	No	The Bank does never include the issues related to remuneration to the agenda of the current general shareholders' meeting.
<p>8.7. The sum of remuneration and other benefits granted to separate directors within respective financial year should be published in detail in relevant Remuneration Report. The Report should also contain at least the information as specified in Clauses 8.7.1–</p>	No	The Bank does not follow this recommendation, as it does not provide any separate information on the income received by each separate member of a managerial body.

<p>8.7.4 herein on every person who was the Company's direction within a certain period of relevant financial year.</p> <p>8.7.1. The following information related to salaries and/or any other service remunerations should be supplied:</p> <ul style="list-style-type: none"> (i) aggregated remuneration amount payable or paid to the director for his/her services provided within previous financial year, including, if applicable, any participation fees as fixed by the general annual shareholders' meeting; (ii) remuneration and benefits received from any other company within the same group; (iii) remuneration payable as a part of the profit and/or premiums, as well as the reasons why such premiums and/or profit part have been granted; (iv) if allowable by the law, every essential extra remuneration payable to directors for special kind of services, beyond the director's usual functions; (v) compensation receivable or payable to every executive manager or member in the managerial body who quitted his/her job within the previous financial year; (vi) general value of benefit which is considered a remuneration although is payable in kind, unless such benefit has to be specified in accordance with Clauses 1-5. <p>8.7.2. The following information related to shares and/or rights to take part in share option transactions and/or any other staff members' incitement by shares schemes should also be provided:</p> <ul style="list-style-type: none"> (i) number of share option transactions or provided shares offered by the Company within the preceding financial year, as well as application conditions; (ii) number of share option transactions realized within the preceding financial year, by specifying the number of shares and realization price of each transaction, or value of participation in personnel's incitement by shares scheme by the end of the financial year; (iii) number of non-realized share option transactions at the end of the financial year, their realization price, realization date and essential conditions for realization of rights; (iv) all changes in conditions for share option transactions within the forthcoming financial year. <p>8.7.3. The following information related to additional pension schemes should be also provided:</p> <ul style="list-style-type: none"> (i) where a pension scheme is of fixed benefits, the changes in benefits accumulated by directors according to such scheme within the relevant financial year; 		<p>Information on shares held by the Board members and benefits paid in total to all managers is supplied to the Securities Commission.</p>
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<p>(ii) where a pension scheme is of fixed benefits, detailed information on benefits paid or to be paid for the director by the Company within the relevant financial year.</p> <p>8.7.4. The Report should also cover the amounts, which has been paid by the Company or any other subsidiary or other company included into the Company's annual consolidated financial accountability as loans, early benefits and guarantees to each person who worked as a director within any period of the relevant financial year, including the retained amounts and interest rates</p>		
<p>8.8. Schemes, according to which directors are being rewarded in shares, share option transactions or other share acquisition rights or rights to remuneration based on share price changes, should be supported by shareholders' relevant decision passed at the general annual shareholders' meeting, before the commencement of implementation of such schemes. Such approval should be related to the scheme itself, and shareholders should not solve any issues of benefits payable to separate directors according to the relevant scheme. Shareholders should also issue their consent to any essential amendments in the scheme conditions before their commencement dates, by passing a relevant decision at the general annual shareholders' meeting. In such cases shareholders should be informed on any conditions of such proposed amendments and receive explanations on possible impact of the amendments being offered.</p>	Yes	Benefits to members of the Bank's Board are payable in accordance with the change in the share value of SAMPO plc.
<p>8.9. The consent by the general annual shareholders' meeting should be received on the following issues:</p> <ul style="list-style-type: none"> (i) granting remuneration to directors according to share-based schemes including share option transactions; (ii) fixing maximum number of shares and key conditions of the share granting procedure; (iii) period set for realization of share option transactions; (iv) conditions for fixing any further change on realization price of option transaction, if allowed by the law; (v) any other long-term director incentive scheme, which are not offered to any other employees of the Company under similar conditions. <p>The general annual shareholders' meeting should also fix a final term, during which the body in charge for directors' remuneration may grant compensations of the aforementioned types to separate directors.</p>		

<p>8.10. Unless prohibited by the national law or corporate articles of association, each model of option transactions with discount providing for subscription rights for shares at a price lower than the fixed market price applicable on the price-fixing date, or at an average market price fixed within several days before fixing the realization price, should also be given the shareholders' approval.</p>		
<p>8.11. Clauses 8.8 and 8.9 should not be applicable to the schemes, where participation under similar conditions is offered to the employees of the Company, or the employees of any subsidiary having a right to take part in such scheme, and which has been approved by the general annual shareholders' meeting.</p>		
<p>8.12. Before the general annual shareholders' meeting, in which the decision indicated in Clause 8.8 is to be considered, shareholders' should be provided with an opportunity to get acquainted with the draft decision and the related informative notice (these documents should be published on the Company's Website). The notice should contain the whole text in regulation of share-based remuneration schemes, or description of essential conditions for such schemes, as well as names and surnames of such scheme participants. The notice should also contain the defined relationship between the schemes and common director remuneration policy. The draft decision should have a clear reference to the scheme itself or summary of the scheme's key requirements. Information on how the Company is going to acquire shares necessary for performance of its obligations in accordance with the incentive schemes should also be supplied to shareholders: it should be clearly stated, whether the Company is going to buy the required shares on the market, retain them as a reserve or issue new shares. Survey for the scheme's expenses, which the Company will incur due to the foreseen scheme implementation, should be presented as well. Information contained in the present Clause should be placed on the Company's Website.</p>		

Principle IX: Interest Holders' Role in the Company's Management

The Company's management system should acknowledge the rights of the interest holders as provided by relevant laws and encourage active cooperation between the Company and its interest holders in developing well-being, jobs and financial stability in the Company. In the context of this Principle, the term "interest holders" shall cover investors, employees, creditors, suppliers, clients, local community and other persons holding certain interest in a specific company.

9.1. The Company's management system should ensure respect to the interest holders' rights that are protected by the law.

Yes

The Bank ensures that interest holders could have a possibility to take part in the Bank management process in so far as this is required by specific legal acts (standing in regulation of labor relations, etc.).

9.2. The Company's management system should ensure conditions to interest holders to take part in the Company's management in compliance with the procedure as provided by the law. Participation of the employees' team in passing decisions important to the Company, consultations with employees' team on the Company's management issues and other important issues, employees' part in the Company's share capital, involvement of creditors to the Company management in the Company's insolvency cases, etc. should be treated as good samples of interest holders' participation in the Company's management.

9.3. Where interest holders take part in the Company's management process, access to the required information should be provided thereto.

Principle X: Disclosure of Information

The Company's management system should ensure that information on all essential corporate issues including financial situation, operational activities and corporate management would be disclosed on timely and precise basis.

10.1. The Company should disclose the following information on:

- (i) The Company's activities and financial results;
- (ii) Corporate goals;
- (iii) Persons owning by title or holding a majority share in the Company;
- (iv) Members in supervisory and managerial bodies of the Company, head of the Company, and salaries thereof;
- (v) Essential risk factors possible to foreseen;
- (vi) Transactions between the Company and related persons, as well as transactions

Yes

The Bank discloses all and any information required by the legal acts approved by the Securities Committee and Board of the Bank of Lithuania, as well as other laws of the Republic of Lithuania.

<p>made outside the due course of the Company's daily business;</p> <p>(vii) Key issues related to employees and other interest holders;</p> <p>(viii) Corporate management structure and strategy.</p> <p>This list above should be considered minimum, and companies are encouraged do not limit themselves by disclosure of information only provided in this list.</p> <p>10.2. In disclosing the information specified in paragraph 1 of recommendation 10.1, companies are recommended to supply information on consolidated results of the entire group, which the Company belongs to.</p> <p>10.3. In disclosing the information specified in paragraph 4 of recommendation 10.1, companies are recommended to supply information on professional experience, competence and potential conflicts of interests of members of supervisory and managerial bodies and Head of the Company that might influence their decisions. It is also recommended to disclose remunerations and other income received from the Company by members of supervisory and managerial bodies and Head of the Company, as it is regulated in more detail by Principle VIII.</p> <p>10.4. In disclosing the information specified in paragraph 7 of recommendation 10.1, it is recommended to disclose information on the relations between the Company and its interest holders, such as employees, creditors, suppliers, local community, etc., including the corporate human resource policy, employees' schemes of participation in the Company's share capital, etc.</p>		
<p>10.5. Information should be disclosed in a way to prevent shareholders and investors from being discriminated in respect of information reception method and scope. Information should be disclosed simultaneously to all interested parties. It is recommended that notices on essential events would be announced before or after trade sessions of Vilnius Securities Exchange so that all shareholders and investors of the Company could have equal opportunities to get acquainted with relevant information and pass appropriate investment decisions.</p>	<p>Yes</p>	<p>The Bank discloses information through the information dissemination system at Vilnius Securities Exchange, simultaneously in Lithuanian and English languages, in so far as it is possible. The Exchange places the received information on its Website and trade system thus ensuring simultaneous access to information for everybody. Besides, the Bank attempts to disclose its relevant information before or after the trade sessions in Vilnius Securities Exchange by simultaneous presentation thereof to all markets, on which the Bank's securities are traded. The Bank does not disclose the information that might have certain influence on the price of its issued securities in any of its commentaries, interviews or through any other ways until such information is</p>

		announced publicly through the information system of the Securities Exchange.
10.6. Information dissemination methods should ensure impartial, timely and cheap access to information to information users. More extensive use of information technologies, such as placement of information on corporate Website, is recommended in dissemination of information. It is recommended to announce information or place it on the corporate website in Lithuanian and English languages, and should such a need arise or possibility appear, in any other foreign languages.	Yes	The Bank discloses information as it is required by relevant legal acts.
10.7. It is recommended to place the annual statement of the Company, yearly prospect – report and other periodic reports prepared by the Company on the corporate Website; it is also recommended to place the Company’s announcements on essential events and corporate share price dynamics at the securities exchange on such Website.	Yes	The Bank follows this recommendation by placing information as specified in the present Recommendation on its Website. Recommendation for announcement of corporate share price dynamics at the securities exchange is not applicable to the listed issuers of debentures, the shares of which are not quotable on the exchange.
<p>Principle XI: Selection of an Audit Undertaking for the Company</p> <p>Selection mechanism of the Company’s audit undertaking should ensure total independence of conclusion and opinion issued by such audit undertaking.</p>		
11.1. In order to obtain objective opinion on the Company’s interim financial accountability, Company’s annual financial accountability and annual statement, its inspection should be performed by an independent audit undertaking.	Yes	The Bank follows this recommendation whereas the Bank’s interim financial accountability, annual financial accountability and annual statement are inspected by independent audit enterprise.
11.2. It is recommended that the candidacy of an audit undertaking would be offered to the general shareholders’ meeting for consideration by the supervisory council of the Company, or by the Board if any such council is not formed in the Company.	Yes	The Bank follows this recommendation whereas the candidacy of an audit undertaking is offered to the general shareholders’ meeting by the supervisory council of the Bank (or the Board when such council is not formed).
11.3. Where an audit undertaking has received any remuneration from the Company for services other than audit services, the Company must disclose this to its shareholders. The Company’s supervisory council or the Board, if any such council is not formed in the Company, should also dispose such information in its consideration, which candidacy of an audit undertaking to offer to the general shareholders’ meeting.	Not applicable	The audit company has not provided any services other than audit services to the Bank, nor it received any remuneration for this from the Bank.

