



Title of the internal legislation	AB Ignitis grupė Group of companies Remuneration Policy
Name of the process	Human and Culture Management -Remuneration
Process owner (department)	People and Culture Department
Approving company	AB Ignitis grupė
Certifying person's position/body	General Meeting of Shareholders of the AB Ignitis grupė
Date of entry into force	Effective from the adoption of the resolution of the General Meeting of Shareholders of AB Ignitis grupė

AB IGNITIS GRUPĖ GROUP OF COMPANIES REMUNERATION POLICY

AB "Ignitis grupė" group of companies (hereinafter - the Group) applies a Remuneration Policy in order to maintain employee motivation and respond to shareholders' expectations for sustainable, socially responsible development by creating a modern, international, competitive energy Group. The development of the Group must take into account economic, environmental and social aspects of the activity. Its development must strengthen the synergies between financial and non-financial return goals and respond to the Group's strategy of creating an energy-smart world and the desire to change in order to make the world more sustainable. The Remuneration Policy contributes to the implementation of the Group's strategy by promoting sustainability, responsible growth and value creation for shareholders.

The remuneration policy aims to attract and retain competent, fast-learning, technologically advanced, globally minded and creative employees, to avoid conflicts of interest in determining the remuneration of executives and to apply the remuneration policy in a way that avoids any discrimination.

The Company's Supervisory Board has been established in the Company – a supervisory body elected by the Company's General Meeting of Shareholders. For the effective performance of the Supervisory Board's functions and responsibilities in the field of remuneration, a Nomination and Remuneration Committee has been established to assess and propose the Group's long-term remuneration policy, monitor the compliance of the Group's remuneration policy with international practice and recommendations of good governance practice and to make appropriate proposals for the improvement of the remuneration policy. The Company's Supervisory Board and the Nomination and Remuneration Committee ensure the proper functioning of the conflict of interest prevention system when making decisions on the remuneration system.

1. PURPOSE AND SCOPE OF APPLICATION

- 1.1. **Purpose:** to establish unanimously correct, clear and transparent principles of remuneration for employees of AB Ignitis grupė group of companies and the employee remuneration system based on them.
- 1.2. **Scope of application:** applies to all enterprises of AB Ignitis grupė group of companies.

2. TERMS AND ABBREVIATIONS USED IN THE REMUNERATION POLICY

- 2.1. **Company** – AB Ignitis grupė (legal entity code 301844044, registered office address Žvejų st. 14, 09310 Vilnius).
- 2.2. **LoC** – the Republic of Lithuania Law on Companies.
- 2.3. **Share Option (SO)** – an option that entitles the Employee to acquire shares in the Company upon the expiration of the vesting period.

- 2.4. **Remuneration Policy** – remuneration Policy of AB Ignitis grupė group of companies; this document.
- 2.5. **Salary Ranges** – there are minimum and maximum FBS thresholds for each Position Level.
- 2.6. **Midpoint of the Salary Range** – for each Position Level, the average value of the Salary Range is determined.
- 2.7. **Median of the Salary Market** – this is a value compared to which 50 percent of market participants receive higher remuneration and 50 percent receive lower remuneration. The median salary market is determined for each Job Level.
- 2.8. **Labour Code** – Labour Code of the Republic of Lithuania.
- 2.9. **Employee** – a person who has an employment relationship with the Company and/or the Enterprise, including the General Managers, Key Executives, members of the Executive Boards, unless otherwise specified in the text of the Remuneration Policy.
- 2.10. **EICP** – positions operating in an environment of intense competition, the criteria and list of which are approved by the Executive Board of AB Ignitis grupė.
- 2.11. **Enterprise** – Group company, including subsidiaries of AB Ignitis grupė subsidiaries, except for AB Ignitis grupė.
- 2.12. **General Manager** – management body of the Company and/or the Enterprise.
- 2.13. **Group** – AB Ignitis grupė and its directly and indirectly controlled legal entities collectively.
- 2.14. **Objectives of the Group** – annual objectives of AB Ignitis grupė, which, based on the Company's strategic plan, are determined and their achievement is assessed by the SB.
- 2.15. **Short-Term Incentives (STI)** – The part of the remuneration that is paid for the agreed and measurable results of the employee's performance evaluation.
- 2.16. **Collegial Body** – the supervisory body specified in the Company's and/or Enterprises' founding documents is the Board and/or the Supervisory Board.
- 2.17. **Non-Compete Compensation** – compensation paid to the Employee for compliance with the non-compete obligations specified in the non-compete agreement concluded with his and her employer (the Company and/or the Enterprise).
- 2.18. **Key executives** – employees holding the position of members of the Company's Executive Board (including the Chairman of the Board), as well as the General Manager of AB Energijos skirstymo operatorius, the General Manager of UAB Ignitis, the General Manager of AB Ignitis gamyba, the General Manager of UAB Ignitis renewables. According to the decision of the Company's SB, other General Managers of the Enterprises with strategic responsibilities and Employees of the Company and/or Companies serving as members of the Executive Boards and/or with strategic responsibilities may also be appointed as key executives, and by the decision of the Executive Board of the Company – other Employees with strategic responsibilities may also be appointed as the members of executive boards.
- 2.19. **Additional Benefits** – a set of measures of a financial and non-financial nature aimed at additional promotion and motivation of Employees.
- 2.20. **Job Level** – a relative estimate by which a job is valued and which reflects the relative value of the job in the Group.

- 2.21. **Job Structure** – employee jobs grouped into levels according to the value and weight generated by the job activity.
- 2.22. **Fixed Base Salary (FBS)** – The base pay of the Employee is determined in the Employment Contract, taking into account the level of the Employee's Job level and the competence of the Employee.
- 2.23. **NRC** – Nomination and Remuneration Committee of the Supervisory Board of AB Ignitis grupė.
- 2.24. **Distinguishing Body** – the body electing the members of the sole or collegial body specified in the Articles of Association of the Company and the Enterprises.
- 2.25. **SB** - AB Ignitis grupė Supervisory Board.
- 2.26. **Direct Supervisor** – a manager who, in accordance with the organisational and functional structure and job descriptions of the Company and/or the Enterprise, has been granted the authority and responsibility to coordinate and organise the activities of the Employees, as well as an Employee acting as a manager.
- 2.27. **Executive Board** – employees of the Company or the Enterprise holding the position of members of the Board in the same enterprise.
- 2.28. **Total Remuneration** – total monetary remuneration paid to the General Managers of the Company and the Enterprise and members of the Executive Boards, which consists of the remuneration of the FBS, STI, a member of the Company or a collegial body of the Enterprise (if any).

3. GENERAL PROVISIONS

- 3.1. The group remuneration system is formed taking into account the following principles, which are applied all together:
 - 3.1.1. internal justice – equal remuneration for the same or equivalent work (creating equal value);
 - 3.1.2. external competitiveness – Employees shall be paid a remuneration that is competitive with respect to the labour market of the country where the Employees work;
 - 3.1.3. clarity – the amount of remuneration must be determined on the basis of clear criteria of the achieved work results, available competencies and qualifications, of which the Employee must be informed;
 - 3.1.4. transparency – the aim is that the decisions on the determination and management of the Remuneration are made on the basis of objective and clear criteria, these criteria are made public to the Employees and the public, therefore, this Remuneration Policy is made public;
 - 3.1.5. equal opportunities and non-discrimination – decisions on remuneration must be made in accordance with the provisions set out in the Remuneration Policy and the Policy of Equal Opportunities and Diversity in force in the Group.
- 3.2. The possibility of deferral of remuneration and recovery of STI does not apply in the Company and the Enterprises.
- 3.3. The decision-making procedure, in accordance with the provisions of the Remuneration Policy, shall be provided in Annex 1 to the Remuneration Policy.
- 3.4. The Remuneration Policy shall apply to all Employees.
- 3.5. The application of exceptions to the Remuneration Policy to Enterprises operating in foreign countries shall be decided by the SB, with the approval of the NRC, taking into account the differences in the remuneration market and the legal regulation of the respective state.
- 3.6. The Remuneration Policy is detailed in the internal legal acts of the Group and/or the Company and/or the Enterprise, which must not contradict this Remuneration Policy.

- 3.7. The provisions of the Remuneration Policy shall be applied taking into account the requirements of the LoC, the Labour Code or the relevant legal act of a foreign state, collective agreements, as well as other legal acts. If there are discrepancies between the legislation and the Remuneration Policy, the Remuneration Policy shall apply to the extent that it does not contradict the legislation.
- 3.8. This Remuneration Policy shall be published on the Company's website.

4. SETTING AND EVALUATION OF OBJECTIVES

- 4.1. The Group aims to create an organisational culture that achieves its objectives, therefore the remuneration system aims to promote behaviours related to the achievement of the objectives set for the Company and the Enterprise, teams, and Employees.
- 4.2. Long-term strategic objectives for 4 (four) years for key executives are set based on the Company's strategic plan.
- 4.3. Annual targets for the General Managers of the Company and the Company and for the members of the Executive Boards are set in accordance with the strategic plans of the Company and the Enterprise, the action plans and the annual budgets. The objectives of the General Manager of the Company and the members of the Executive Board are aligned with the annual objectives of the Company approved by the SB.
- 4.4. Annual, semi-annual or quarterly targets for other Employees not specified in Clauses 4.2 and 4.3 of the Remuneration Policy are set based on the targets of the Group and/or Enterprise.
- 4.5. The set targets are monitored at least quarterly.
- 4.6. The set targets are evaluated according to the percentage of their achievement.

5. REMUNERATION COMPONENTS

- 5.1. Remuneration in the Group consists of:
 - 5.1.1. **FBS** – Fixed base salary;
 - 5.1.2. **STI – Short-Term Incentives;**
 - 5.1.3. **Remuneration of a member of the Company's or the Enterprise's collegial body or committee** – payment for activities in the management and/or supervisory bodies of the Company or the Enterprise or their committees, as specified in Clause 11 of the Remuneration Policy;
 - 5.1.4. **Additional payment for overtime work, work on days off or holidays or at night and other bonuses** paid in accordance with the Labour Code or the relevant legal act of a foreign state or collective agreements;
 - 5.1.5. **Additional financial incentive** – a financial incentive that may be paid for participation in initiatives outside the direct work functions of the Employee, except for the members of the Company's or Enterprise's Executive Boards and General Managers, for extraordinary results, innovations in implementing the Group's strategic priorities, extraordinary value creation in the Group, in other cases where this is provided for in the Collective Agreements of the Enterprises;
 - 5.1.6. **Additional benefits** – financial and non-financial measures or their equivalent which are designed to promote employee motivation and loyalty, help reconcile work and leisure, achieve better performance and increase the attractiveness of the employer by increasing employee satisfaction in the organisation, maintaining an impeccable reputation, transparency of activities, social responsibility, opening opportunities for employee self-realization, career, etc. Additional benefits provided to employees are detailed in the Group's internal legal acts or collective agreements.
 - 5.1.7. **Expatriate's financial package** – compensation for additional expenses related to:
 - (i) relocation of an Employee to the country other than his/her permanent residence is and (or) was before the relocation and (or)

(ii) return to the country where his/her permanent residence is and (or) was before the relocation, and (or)

(iii) relocation from a country, which was not the country of his/her permanent residence before the initial relocation, to another country which was not the country of his/her permanent residence before the initial and subsequent relocation, such compensation being determined, detailed and paid in accordance with the Group's internal legal acts, that shall be adopted by the SB with the approval of the NRC.

- 5.1.8. **Promotion SO** – the Company's share option program for Employees of the Company and Enterprises to strengthen their engagement and loyalty for sustainable results.
- 5.2. Employees other than Key Executives have a choice between two incentive schemes: STI or STI and Promotion SO.

6. JOB STRUCTURE

- 6.1. The remuneration system is based on the Group's Job structure, which consists of jobs divided into Job Levels. A methodology recognized in international practice is used to assess and determine the level of the job.
- 6.2. The level of the job is determined by assessing the following criteria:
- 6.2.1. **Knowledge** – the qualification, competence, experience, special knowledge and education required for the position;
- 6.2.2. **Problem solving** – the complexity of the decisions made by the position and of the analysed problems;
- 6.2.3. **Responsibility** – the impact of the duties performed by the position on the Group's performance.
- 6.3. Jobs in the Group may be evaluated by external consultants and/or an internal Group-wide job evaluation committee.
- 6.4. Job levels are reviewed as necessary in the event of a new job, a change in the functions and/or responsibilities of the position. The review of Job levels is organised by the Head of the Company's People and Culture Department.
- 6.5. The structure of the Group's jobs is mandatory for the Company and all Enterprises.
- 6.6. The job structure is posted on the Company's intranet and is available to all Employees of the Company and the Enterprises.

7. PRINCIPLES FOR DETERMINING SALARY RANGES

- 7.1. In order to ensure the competitiveness of the remuneration and to encourage the Employees to achieve results, the focus is placed on the median of the Salary Market of the respective state in which the Company or the Enterprise operates. Depending on the competitive environment of the Company operating in a foreign country, the strategic objectives set for the Company, a different Reward Ratio (higher or lower) than the median Reward market may be set.
- 7.2. In order to ensure the principle of external competitiveness, the Salary Ranges may be determined and reviewed annually, taking into account the data of an independent national salary survey and the remuneration market trends.
- 7.3. Salary Ranges are determined for each Job Level based on the median of the Salary Market. The aim is to set the midpoint of the Salary Ranges as close as possible to the median of the Salary Market.
- 7.4. The limits of the Salary Ranges for each level of the Job, in comparison with the midpoint of the Salary Range, are set in the range of 80 – 120%.
- 7.5. In order to ensure external competitiveness, an adjusting remuneration coefficient is set for the remuneration EICP. The members of the Company's and the Enterprise's Executive Boards and the General Managers are not included in the list of EICP.

7.6. Group Salary Ranges are mandatory for the Company and all Enterprises.

8. PRINCIPLES FOR DETERMINING AND REVIEWING THE FIXED BASE SALARY (FBS)

- 8.1. The Employee's FBS is determined and may be changed within the Salary Range established for the respective Job Level, taking into account the Employee's experience, competence and performance, but as a general rule, the FBS may not exceed the maximum Salary Range.
- 8.2. The annual FBS review process in the Company and/or the Enterprise is not guaranteed and unconditional, i.e. the annual review of the FBS is affected by:
 - 8.2.1. percentage of the Company's and/or Enterprise's performance results and achievement of its objectives;
 - 8.2.2. changes in the remuneration market (positive and negative) in the country where the Employee works.
- 8.3. The Employee FBS is reviewed annually during the annual FBS review process, following the annual Employee performance review interviews. The individual review of the Employee FBS is affected by:
 - 8.3.1. achieving the objectives set for the Employee, positive assessment of competence growth and values;
 - 8.3.2. comparison of the individual Employee's FBS with the midpoint of the Salary Range set for the respective Job Level.
- 8.4. The proposal for the determination or revision of the size of the FBS of the Employee, except for the General Managers of the Company and the Enterprises and the members of the Executive Boards, shall be submitted by his/her Direct Supervisor after receiving the approval of the senior manager.
- 8.5. The proposal to determine or review the size of the FBS of the members of the Company's and the Enterprises' Executive Boards shall be submitted by the Direct Supervisor.
- 8.6. The proposal on setting or reviewing the size of the FBS of the General Managers of the Company and the Enterprises shall be submitted by the Executive Board of the Company.
- 8.7. During the non-annual review, the Employee's FBS may be reviewed due to structural changes in the Company and/or the Enterprise or the Employee's internal career when the Employee's position changes, as well as in other reasonable and objective cases to ensure the Company's and/or Enterprise's and/or its the continuity of the activities of the structural unit, in accordance with the procedure established by internal legal acts.

9. DETERMINATION AND PAYMENT OF SHORT-TERM INCENTIVES (STI)

- 9.1. The amount of the STI for the General Managers of the Company and the Enterprises and the members of the Executive Boards shall not exceed 20 (twenty) % of their FBS for the period for which the STI is paid.
- 9.2. For employees other than those specified in Clause 9.1 of the Remuneration Policy, the amount of the STI shall not exceed:
 - 9.2.1. 10 (ten) % of their FBS for the period for which STI is paid after choosing the STI incentive system;
 - 9.2.2. 5 (five) % of their FBS for the period for which STI is paid after choosing the STI and Incentive AO system.
- 9.3. For positions that have strategic responsibilities and/or have a significant impact on the Group's performance, other than those specified in Clause 9.1 of the Remuneration Policy, the STI shall not exceed:

- 9.3.1. 20 (twenty) % of their FBS for the period for which STI is paid after choosing the STI incentive system;
- 9.3.2. 10 (ten) % of their FBS for the period for which STI is paid after choosing the STI and Incentive AO system.
- 9.4. Specialized remuneration schemes, as specified in Clause 10 of the Remuneration Policy, apply to individual groups of Employees, positions or employees employed in a foreign country, which require a different system for determining or promoting STI in order to achieve specific work results according to market or business needs.
- 9.5. STI is paid once a year to the General Managers and members of the Executive Boards of the Company and the Enterprise, once a year, semi-annually or quarterly to other Employees in accordance with the procedure established by internal legal acts, depending on the achievement of specific and measurable goals or indicators.

10. ESTABLISHMENT OF A SPECIALIZED REMUNERATION SYSTEM

- 10.1. In order to achieve the flexibility of the remuneration system and the necessary impact on the achievement of the Group's strategic objectives, jobs involving direct sales, wholesale of electricity, natural gas, liquefied natural gas and/or other energy products and related services, trading in derivatives or products, energy supply management and planning, implementation/development of renewable energy projects, etc., specialized remuneration systems may be established in the Group as required.

11. DETERMINATION OF THE REMUNERATION OF THE MEMBERS OF THE COLLEGIAL BODIES OF THE COMPANY AND THE ENTERPRISES

- 11.1. Remuneration for activities in the collegial bodies of the Company and the Enterprise shall be paid to:
 - 11.1.1. Members of the Executive Boards of the Company and Enterprises;
 - 11.1.2. independent members of the Enterprises' Boards;
 - 11.1.3. independent members of the Company's and the Enterprises' Supervisory Boards;
 - 11.1.4. independent members of the Company's SB committees;
 - 11.1.5. Employees' representatives holding the positions of members of the Company's or the Enterprise's collegial bodies, if provided for by the Articles of Association of the Company or the Enterprise;
 - 11.1.6. Employees of the Company or Enterprises, members of collegial bodies acting in other Enterprises operating in foreign countries, if required by the legislation of the respective state.
- 11.2. The monthly amount of remuneration of the Company's independent SB members shall be determined by the General Meeting of Shareholders of the Company by its decision, and this amount shall be used to calculate the monthly amount of remuneration of other members of the Company and the Enterprises' collegial bodies.
- 11.3. The principles for calculating the remuneration of the members of the Company's and the Enterprises' collegial bodies for their activities in the Company's and the Enterprises' collegial bodies shall be specified in Annex 2 to the Remuneration Policy.
- 11.4. Remuneration for activities in the collegial bodies of the Company and the Enterprises shall be fixed and shall not depend on the results of the Company's or the Enterprises' activities.
- 11.5. The remuneration of the members of the Company's SB for participation in the activities of the committees shall be included in their remuneration for the activities of the SB, and they shall not receive additional remuneration for the activities in the committees.
- 11.6. The remuneration of the Company's or the Enterprise's Employees for activities in the collegial bodies of other Enterprises is included in their remuneration and no additional remuneration is paid, unless it is required by law, but not more than 50 (fifty) percent of the SB member's remuneration.

- 11.7 The agreement concluded with a member of the collegial body of the Company and the Enterprise regarding the performance of the activities of the member of the collegial body of the Company and the Enterprise shall terminate when:
- 11.7.1. the term of office of the member of the Company's or Enterprise's collegial body expires;
 - 11.7.2. the member of the Company or the Enterprise's collegial body is recalled from the collegial body or the entire collegial body is recalled;
 - 11.7.3. a member of the collegial body of the Company or the Enterprise resigns or is unable to continue his or her duties in office;
 - 11.7.4. a member of the Company's or Enterprise's collegial body shall cease to hold the position of a member of the collegial body on another basis.

12. ADDITIONAL FINANCIAL INCENTIVE

- 12.1. The additional financial incentive shall be provided at the initiative and discretion of the employer and shall not be a guaranteed part of the remuneration package.
- 12.2. The additional financial incentive shall not apply to the General Managers and members of the Executive Boards of the Company and the Enterprises.

13. INCENTIVES THROUGH SHARE OPTIONS

- 13.1. The Company has two SO incentive programs: a long-term incentive program for Key Executives and Employees, including non-Key Executives.
- 13.2. The SO agreement may be concluded only by those Employees who, on the day of signing the SO agreement, have an employment relationship with the Company or the Enterprise.
- 13.3. Main principles of the SO incentive program for Key Executives:
 - 13.3.1. acquisition of shares is possible after 4 (four) years after signing the SO agreement, if the Long-term strategic objectives of 4 (four) years are achieved;
 - 13.3.2. the amount set by the SB may not exceed 40 (forty)% of the amount of the FBS specified in the employment contract of the Key Executive valid on the day of the SB decision, multiplied by 12 (months).
- 13.4. Main principles of the SO incentive program for Employees other than Key Executives:
 - 13.4.1. the acquisition of shares is possible after 3 (three) years after the signing of the SO agreement and only if on the day of the acquisition the Employee has an employment relationship with at least one Enterprise;
 - 13.4.2. the amount of the amount determined by the Executive Board of the Company for the calculation of the size of the SO may not exceed:
 - 13.4.2.1. 10 (ten) % of the amount consisting of the FBS specified in the Employee's employment contract on the day of decision of Enterprise Executives board, multiplied by 12 (months) for the Employees specified in Clause 9.2 of the Remuneration Policy;
 - 13.4.2.2. 20 (twenty) % of the amount consisting of the FBS specified in the Employee's employment contract, on the day of decision of Enterprise Executives board, multiplied by 12 (months) for the Employees specified in Clause 9.3 of the Remuneration Policy.
- 13.5. The size of the SO for an Employee other than the Key Executives shall be determined by the achievement of specific and measurable objectives or indicators set in the previous year.
- 13.6. The provisions of SO promotion, the requirements and conditions for concluding SO agreements, retention terms, the procedure for granting shares and the responsibilities of the bodies making decisions on the shares to be acquired shall be described in the [Rules for Granting Shares of AB Ignitis grupė](#) which are approved by the General Meetings of Shareholders.

14. PROCEDURE FOR PAYMENT OF SEVERANCE PAY

- 14.1. Severance benefits for Employees upon termination of their employment contract shall be paid in accordance with the procedure established by the Labour Code or the relevant legal act of a foreign state and this Remuneration Policy.
- 14.2. The notice periods shall apply to the General Managers of the Company and the Enterprises in the event of termination of employment in accordance with the procedure established by the LoC or the relevant foreign legal act, and to the members of the Executive Boards in the event of termination of employment in accordance with the Labour Code or relevant foreign legal act.
- 14.3. If a member of the Company's collegial body resigns or is removed from office (except for the members of the Company's and the Enterprises' Executive Boards), no benefits or compensations shall be paid due to the termination of the contract on performance of the collegial body member's activities. In such cases, the member of the Company's or Enterprise's collegial body must be paid remuneration for the time actually spent in the performance of activities of the member of the collegial body.
- 14.4. Upon termination of the employment contract on any grounds, the General Manager of the Company shall be settled in accordance with the procedure established in the employment contract and the Labour Code.
- 14.5. The decision on the severance pay of the General Manager of the Enterprise or a member of the Executive Board of the Company or the Enterprise, if it is higher than provided for in the Labour Code or relevant foreign legislation (does not apply to the General Manager of the Company according to Clause 14.4) or the amount of the body recalling the director or a member of the executive board or regarding the amount of the Non-Compete Compensation, shall be made by the body recalling the General Manager of the Company or the Enterprise or a member of the Executive Board, having assessed the results achieved, the length of service in the Group, the significance of the circumstances, commercial risks and potential damage to the Group through competition, etc., with the approval of the Company's Executive Board, ensuring compliance with the principle of avoiding conflicts of interest.

15. PRINCIPLES OF REMUNERATION CONTROL

- 15.1. In determining and reviewing the FBS for the General Managers of the Company and the Enterprises and the members of the Executive Boards, SB shall assess the compliance of their total Remuneration with the median of the total target Remuneration market (the amount of remuneration of the FBS, STI and the collegial body is compared).
- 15.2. SB of the Company may, with the approval of the NRC, establish or change other principles of remuneration control and management.

16. REMUNERATION POLICY DEVELOPMENT AND APPROVAL PROCESS

- 16.1. The remuneration policy shall be approved and changed by the Company's General Meeting of Shareholders, taking into account the requirements of the Labour Code or relevant foreign legal acts and after receiving the opinion of the Company's Executive Board, SB and NRC, as well as after completing the information and consultation procedures with the representatives of the Company's and the Enterprises' employees.
- 16.2. When amending the Remuneration Policy, material changes to the Remuneration Policy must be described and explained. If the amended Remuneration Policy has already been discussed at the Company's General Meeting of Shareholders, but it has not been approved – the arguments must be indicated in the decision of the Company's General Meeting of Shareholders.
- 16.3. The Remuneration Policy shall be implemented by adopting the decisions set out in the

Remuneration Policy and detailed internal legal acts.

17. FINAL PROVISIONS

- 17.1. The Company's People and Culture Department shall be responsible for supervising the implementation of the Remuneration Policy.
- 17.2. The Enterprises shall implement the Remuneration Policy to the maximum extent, ensuring compliance with the provisions of the Company's Articles of Association, the principles established in the Guidelines for the Corporate Governance of State-Owned Energy Groups, the Labour Code, the Republic of Lithuania Law on Legal Protection of Personal Data, the Republic of Lithuania Law on Electricity and other legal acts in force in the Republic of Lithuania or in the foreign state where the Company is established. This Remuneration Policy shall apply on a Group-wide basis, without prejudice to the provisions of the European Union's Third Energy Package.

Annex 1. Approval and coordination matrix
AB Ignitis grupė group of the companies remuneration policy

Approved by / Established by (the final decision)*	SB of the Company	NRC	General Manager of the Company	Executive Board of the Company	SB of the Enterprise (if any)	General Manager of the Enterprise	Direct Supervisor	Distinguishing Body	Manager of the People and Culture
Approved*									
Determination and evaluation of long-term strategic objectives for 4 (four) years									
Key executives	2	1							
Setting and Evaluation of Objectives									
General Manager of the Company	1			2					
General Managers of the Enterprises					1			2	
Employees (excluding General Managers of the Company and Enterprises)							1		
Job Structure									
All jobs									1
Determination of salary ranges and/or other principles of remuneration control									
Position Levels of the General Managers of the Company and the Enterprises and the members of the Executive Boards	2	1							
Other Job Levels				1					
FBS establishment and review									
General Manager of the Company	1			2					
The Company's Executive Board and Head of Internal Audit	1		2						
General Managers of the Enterprises				1	2			3	
Members of the Executive Boards of Enterprises				1		2			
Other Employees of the Company			2				1		
Other Employees of the Enterprises						2	1		
Determination of the size of STI									
General Manager of the Company	1			2					
General Managers of the Enterprises					1			2	
Company's Employees (except for the General Manager of the Company)			2				1		
Enterprise's Employees (excluding General Managers of the Enterprises)						2	1		
Approval of specialized remuneration schemes									
All jobs				1					
Determination of the remuneration of the members of the collegial bodies of Enterprises									
General Manager of the Company	1			2					
Executive Board of the Company			1						
General Managers of the Enterprises					1			2	
Members of the Executive Boards of Enterprises						1			

*The sequence of approval steps shall be indicated by numbers

Annex 2. Amounts of remuneration for the members of the Company's and the Enterprises' collegial bodies for their activities in the collegial bodies
 AB Ignitis grupė group of the companies remuneration policy

	The position of the collegial body	Amount of remuneration for activity *
1	Chairman of the Company's SB	1,30
2	Independent SB member of the company	1,00
3	Chairman of the Executive Board of the Company	1,30
4	Members of the Executive Board of the Company	0,90
5	Chairman of the Company's SB committees	1,00
6	Independent members of the Company's SB committees	0,90
7	Independent members of the SB Enterprises and employee representatives on the supervisory boards	0,65
8	Chairman of the Executive Boards of Enterprises	0,90
9	Members of the Executive Boards of Enterprises	0,65
10	Independent members of the Executive boards of Enterprises	0,65