

*Translation from Lithuanian*

**Remuneration Policy**  
**of**  
**the public joint-stock company Invalda INVL**

**Purpose and scope of Remuneration Policy**

Remuneration Policy (hereinafter – Remuneration Policy) of the public joint-stock company Invalda INVL (hereinafter – Company) was prepared taking into account the Company’s business strategy, long-term goals and interests, and implementation of the mentioned statements, also the success of the Company are greatly contributed by the Employees of the Company and Group companies.

The priority of the Invalda INVL Group is the successful management of the assets entrusted by people. The overall objective of the Remuneration Policy is to describe how Employees are remunerated for their work and results. In addition, the aim is to attract, retain and motivate qualified employees and managers, to reconcile their interests with the interests of the Company, thus creating long-term value for Invalda INVL Group customers, employees, partners, shareholders and other stakeholders. Remuneration Policy maintains a simple and transparent remuneration structure and increases Employee loyalty and responsibility and reduces the risk of possible conflicts of interest.

The Company’s policy is to apply (i) a fixed remuneration and (ii) a combination of a fixed remuneration and a long-term variable component, as described below. The combination of a fixed remuneration and a long-term variable component should strike the right balance of interests while motivating long-term growth without encouraging short-term or risky conduct. Competitive and reasonable remuneration should help to attract and retain Invalda INVL values-compliant, professional, talented employees necessary for the continuity and development of the Company’s and the Group’s business.

The Remuneration Policy is applicable for the Employees of Invalda INVL and the Group companies.

The Company does not form Nomination and Remuneration Committees. Their function shall be performed by the Board of the Company at the level of the Group companies.

This policy is binding on the Company and recommended for Group companies. The aim is that the Remuneration Policies of the Group companies comply as much as possible with the principles set out in this Remuneration Policy.

**Definitions**

The Company - Invalda INVL AB.

The Group company – any company in the Asset management segment as described in the Company’s financial statements.

The Manager of the Company – president of Invalda INVL.

The Company Employees – persons working for the Company under an employment contract.

Employees of the Company and the Group may be collectively referred to as Employees.

The Remuneration - financial remuneration paid for the work performed, which consists of a fixed part of remuneration (FPR) and, possibly, a variable part of remuneration (VPR), other monetary remuneration (OMR) and other benefits.

The Policy – this Remuneration Policy.

**Components of an Employee remuneration system**

**The fixed part of remuneration (FPR)** is the monthly remuneration specified in the employment contract, i. e. basic part of salary. The FPR and its amount are determined in the Employees’ employment contracts and paid in accordance with the procedure established by law. Members of the elected bodies who have not concluded employment contracts with the Company may receive remuneration in the form prescribed by legal acts and under service contracts.

The Company and the Group companies may defer the payment of remuneration and may use the opportunity to reclaim the variable part of the remuneration.

The employment contracts concluded by the Company and the Group companies do not contain any agreements on supplementary pensions or early retirement arrangements, the conditions of termination of the employment contract and the payments related to the termination of the employment contract do not differ from those provided for in the applicable legislation. The Board of Invalda INVL has the right to apply exemptions after assessing individual agreements, significant contribution to earned profit or other objective circumstances.

FPR remuneration for the Company's and the Group's Employees is reviewed and determined, usually once a year. The FPR for the Company's Employees is established by the Manager of the Company. The FPR of the employees of the Group companies is determined in accordance with the legislation and the internal procedures of the companies. The direct supervisor of the Employee informs his / her manager about the expected change of the FPR for a particular Employee of the Group company. The size of the FPR for the Manager of the Company is determined by the Board of the Company. The FPR of the managers of the Group companies is determined by the board of that Group company or, if the board is not formed, by the general meeting of shareholders. The board of the Company shall be informed about the expected changes in the FPR of the managers of the Group companies and the managers of their subordinated divisions.

The FPR is determined on the basis of the level of responsibility, experience, personal qualities and competencies required for the position, as well as objective conditions in the labor market.

**Variable part of remuneration (VPR)** - annual bonuses or share options. VPR is an additional employee remuneration that is awarded and paid at the initiative of the Company as a means of promotion and motivation of the Employees in order to encourage Employees for a well-done work, the activities or activity results of the Employee or the Company or its division. VPR can be short-term (annual bonuses) as well as long-term (3 and more years).

The decision on payment or non-payment of annual bonuses shall be made by the Company and the Group company at its own discretion. The direct manager of that Employee informs his / her manager about the proposed amount of VPR for a particular Employee of the Group company. The board of the Company shall be informed about the VPR amounts proposed to the managers of the Group companies and the managers of their subordinated divisions. Annual bonuses are a form of short-term motivation with two main purposes: to link individual employee goals to company goals and strategy, and to reward employees for good performance and successful implementation of the set goals. This variable part of the remuneration is paid once a year after the annual evaluation of the employee's work after the approval of the Company's consolidated annual financial statements.

Share options may be granted in accordance with the Company's Share Allocation Rules, which are published on the Company's website. The amount of the annual bonus or the particular number of share options for a particular Employee is determined by the Company's Board on the proposal of the Company's or the Group company's manager or the share options are granted as remuneration based on future performance under agreement signed with employee.

**Other monetary remuneration (OMR)** - premium, bonus, other benefits; An Employee may be paid a premium for additional work, performance of additional functions not provided for in their employment contract and / or position description, or performance of additional tasks. The direct manager of the Employee informs his / her manager about the proposed amount of OMR for a particular Employee of the Group company. The premium is determined by the order of the Manager of the Company or the Group company. The premium is not included in the amount of FPR set for the employee.

**Other benefits (OB)** - other potential benefits provided to employees as motivating measures. Pension contributions may be paid to the third pillar pension funds managed by the Group for the benefit of Employees. Employees may also be provided with benefits that have a financial value but do not involve monetary bonuses, i. e. non-monetary benefits (reimbursement of part or all of the cost of training, internal company events, etc.). The package of indirect financial benefits is selected taking into account the financial situation and strategy of the Company or the Group, as well as the principles of fairness and transparency. The direct manager of the Employee informs his / her manager about the proposed amount of OB for a particular Employee of the Group company.

#### **Remuneration for members of the Company's elected bodies**

The members of the Board are appointed and / or revoked for the term provided for in the Articles of Association of the Company, and the bonuses are granted and paid by the decision of the General Meeting of Shareholders of the Company in accordance with the procedure established by legal acts. Following the decision of the General

Meeting of Shareholders on the payment of bonuses, the share of bonuses due to a particular member of the Board is determined by the decision of the Board, taking into account the contribution of a particular member of the Board to the Company's activities.

Members of the Board of the Company may receive remuneration from the Company under employment, service or other contracts. Upon the entry into force of this Remuneration Policy, all new forms of remuneration received by the members of the Board of the Company or changes in the existing amounts of remuneration, or remuneration of new members of the Board of the Company must be approved by the General Meeting of Shareholders. If the remuneration of the existing members of the Board is changed or the remuneration of the new members of the Board is determined without the approval of the General Meeting of Shareholders, such changes in remuneration shall be submitted to the next General Meeting of Shareholders of the Company for approval. If the Shareholders' Meeting does not approve them, the member of the board must compensate the part of the remuneration paid to the Company, which was granted without the approval of the General Meeting of Shareholders.

The amount of remuneration for the members of the Company's Audit Committee is approved by the Company's General Meeting of Shareholders.

### **The procedure for the preparation, adoption and amendment of the Remuneration Policy**

The Remuneration Policy is concluded for a period of 4 (four) years and is valid until the Annual General Meeting of Shareholders of the Company shall be held on the fourths year.

The draft Remuneration Policy (amendment thereto) is prepared by the Director of the Company. Shareholders who's held shares carry more than 1/10 of the votes and the Board of the Company shall be entitled to initiate changes in the Remuneration Policy.

The Remuneration Policy (amendments thereto) shall be approved by the General Meeting of Shareholders of the Company. The Remuneration Policy shall be deemed approved when it is approved by a majority of at least of 2/3 of all the votes carried by the shares held by the shareholders attending at the General Meeting of the Company.

Where Executives (any of them) are also shareholders of the Company (representing the shareholders) attending the General Meeting of Shareholders where the issue of approval of the Remuneration Policy (amendments thereto) is discussed, this information shall be disclosed before the consideration of the said issue.

Upon approval of the Remuneration Policy, the remuneration of the Employees shall be paid only in accordance with the Remuneration Policy approved by the General Meeting of Shareholders of the Company.

If the General Meeting of Shareholders does not approve the proposed Remuneration Policy, the Company shall pay the remuneration in accordance with the decisions of the relevant bodies granting the remuneration before the consideration of the Remuneration Policy, but such decisions cannot be changed until the Remuneration Policy is approved.

If the Remuneration Policy is approved and the changes to the Remuneration Policy proposed at the Company's General Meeting of Shareholders (new Remuneration Policy) are not approved, the Company shall continue to pay remuneration to Executives in accordance with the existing approved Remuneration Policy and submit the revised policy to the next General Meeting of Shareholders of the Company.

The Company may deviate from the Remuneration Policy if such deviation from the Remuneration Policy is necessary to ensure the Company's long-term interests and business continuity. Such deviations shall be immediately announced in the same manner as the Remuneration Policy itself. If the Company is unable to apply the Remuneration Policy for more than 6 months, the Director of the Company shall review the Remuneration Policy taking into account the changed conditions, prepare the draft revised policy, submit to the Board of the Company to review and, upon approval of the Board, convene the General Meeting of Shareholders of the Company to which the amended Remuneration Policy shall be submitted for approval.

The Remuneration Policy (any amendments or supplements thereto) together with the date and voting results of the General Meeting of Shareholders approving the Remuneration Policy shall be made public on the Company's website without delay after the approval of the Remuneration Policy at the General Meeting of Shareholders.

The Director of the Company is responsible for the preparation of the Remuneration Policy. The Board of the Company shall be responsible for the ongoing review of the Remuneration Policy and implementation of its provisions.

When amending the Remuneration Policy, along with the amendments it shall submitted to the General Meeting of Shareholders (i) descriptions and explanations of significant changes in the Remuneration Policy; (ii) if the Remuneration Policy being amended has already been discussed at the General Meeting of Shareholders but not approved, - the arguments specified in the resolution of the General Meeting of Shareholders; and (iii) all remuneration reports approved after the last vote on the Remuneration Policy of the Company's General Meeting.

### Remuneration report

Upon the end of the financial year, the Company prepares a remuneration report detailing the remuneration of the Manager of the company and members of the Company's elected bodies, including any bonuses of any kind not provided for in the Remuneration Policy, granted for the last financial year. Remuneration report is presented to the Company's Annual General Meeting of Shareholders.

The remuneration report shall contain the following information regarding remuneration of Manager of the company and each individual member of the Company's elected bodies:

- the total remuneration split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration complies with the adopted Remuneration Policy, including how it contributes to the long-term performance of the Company, and information on how the performance criteria were applied;
- the annual change of remuneration, of the performance of the Company, and of average remuneration on a full-time equivalent basis of employees of the Company, if there are any other employees other than directors, over at least the five most recent financial years, presented together in a manner which permits comparison;
- any remuneration received from any undertaking more than 50 percent of shares of which is owned by the Company;
- information on any deviations from the implementation of the Remuneration Policy.

The Remuneration report also includes information on the Company's share options;

- indicates the maximum number of shares approved by the General Meeting of Shareholders in that year, for which the Employees may be offered option agreements in the current year;
- the total number of shares for which option agreements were signed in that year, the agreed share purchase price and the year of share acquisition;
- Indicate the total number of shares acquired by employees under option agreements during the year.

Shareholders attending the Annual General Meeting of Shareholders to which the remuneration report is submitted shall have the right to submit their comment. The Company shall explain in the following remuneration report how the comments submitted by the shareholders has been taken into account.

In order to provide shareholders with easy access to the remuneration report and potential investors and stakeholders to access the remuneration information, the Company's remuneration report shall be made publicly available on the Company's website after the General Meeting.

The Company does not include in the remuneration report special categories of personal data of individual person (within the meaning of Article 9(1) of Regulation (EU) 2016/679 of the European Parliament and of the Council) or personal data which refer to the family situation of individual person. The Company shall process the personal data included in the remuneration report for the purpose of increasing corporate transparency.

The Company shall keep the personal data of the Executives' included in the remuneration report for a maximum of ten years from the date of publication of the remuneration report. After the expiry of the ten-year period, the Company shall remove all personal data from the remuneration report and shall no longer publish the entire remuneration report.

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