

The logo for Invalida, featuring the word "Invalida" in a white, italicized sans-serif font on a black rectangular background.

*Invalida*

# Consolidated Annual Report of Invalida AB for the year 2012

Prepared according to The Rules for the Drawing-up and the Submission of the Periodic and Additional Information, approved by Resolution No. 1K-3 of 23.02.2007 of the Lithuanian Securities Commission

Approved by the Board decision No. 2013- 08 passed on 9 April, 2013

**Translation note:**

This version of the Annual Report is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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*Our report has been prepared in Lithuanian and English languages. In all matters of interpretation of information, views or opinions, the Lithuanian language version of our report takes precedence over the English language version.*

## **Independent Auditor's Report**

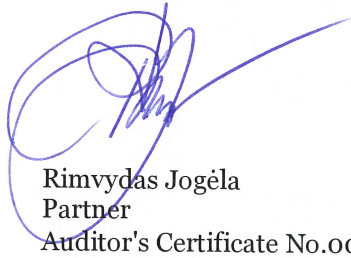
To the shareholders of Invalda AB

We have audited the accompanying stand-alone and consolidated financial statements of Invalda AB ("the Company") and its subsidiaries ("the Group"), which comprise the stand-alone and consolidated statements of financial position as of 31 December 2012 and the stand-alone and consolidated income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information ("the financial statements"), and which are published separately from the consolidated annual report. We expressed an unmodified opinion on the financial statements in our report dated 9 April 2013.

Furthermore, we have read the consolidated annual report for the year ended 31 December 2012 set out on pages 5 - 73 and have not noted any material inconsistencies between the financial information included in it and the audited financial statements for the year ended 31 December 2012.

For a better understanding of the financial position of the Company and the Group as of 31 December 2012, and of their financial performance and their cash flows for the year then ended, the consolidated annual report for the year ended 31 December 2012 should be read in conjunction with the financial statements which are published separately.

On behalf of PricewaterhouseCoopers UAB



Rimvydas Jogėla  
Partner  
Auditor's Certificate No.000457

Vilnius, Republic of Lithuania  
9 April 2013



Rasa Radzevičienė  
Auditor's Certificate No.000377

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**I. GENERAL INFORMATION**

**1. Reporting period for which the report is prepared**

The report is prepared for the year 2012.

**2. General information about the Issuer and other companies comprising the Issuer's group**

**2.1. Information about the Issuer**

Name and legal form of the Issuer	Public company Invalda, hereinafter Invalda AB
Enterprise code	121304349
Address	Seimyniskiu str. 1A, LT-09312 Vilnius, Lithuania
Telephone	+370 5 279 0601
Fax	+370 5 279 0530
E-mail	<a href="mailto:info@invalda.lt">info@invalda.lt</a>
Website	<a href="http://www.invalda.lt">www.invalda.lt</a>
Date and place of registration	March 20, 1992, Register of Enterprise of Vilnius
Register, in which data about the Company are accumulated and stored	Register of Legal Entities

Invalda AB is one of the largest Lithuanian investment companies whose primary objective is to steadily increase the investor equity value. For the purpose of attainment of this objective Invalda AB actively manages its investments, exercising control or significant influence over target businesses.

Invalda AB started the activity in 1991. Its equities have been traded on the NASDAQ OMX Vilnius Exchange since 1995.

In respect of each business Invalda AB defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. We play an active role in passing decisions on strategic and other important issues that have an effect upon the value of the group companies.

**2.2. Information about other companies comprising the Issuer's group**

The main sectors of Invalda AB are the following: furniture manufacturing, real estate, facility management, agriculture and information technology (IT) infrastructure.

Group's companies and their contacts are presented in Appendix 1 of this report.

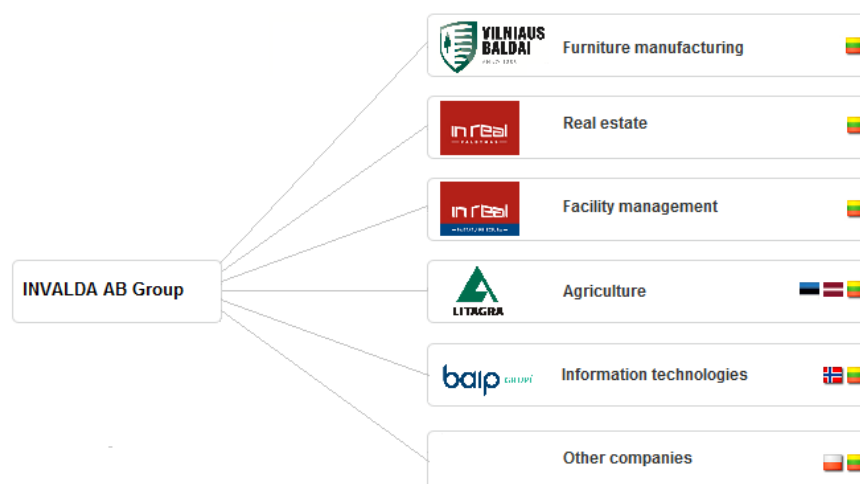
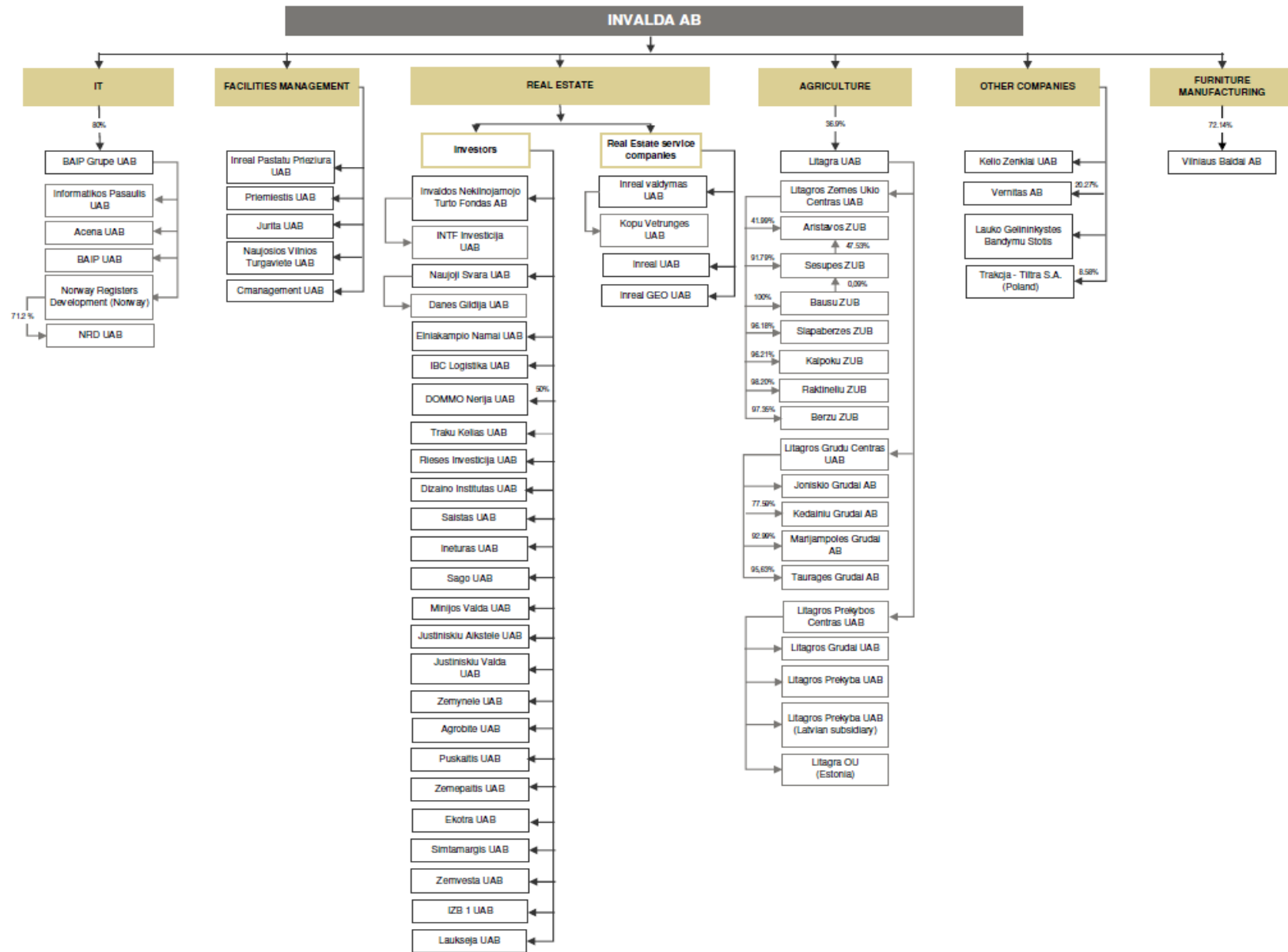


Fig. 2.2.1. The main sectors of Invalda AB group as of December 31, 2012

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Picture 2.2.2. Simplified structure of Invalda AB group management as of group as of December 31, 2012

### 3. Agreements with intermediaries on public trading in securities

Invalda AB has signed agreements with these intermediaries:

- Finasta AB FMI (Maironio str. 11, Vilnius, Lithuania, tel. +370 5 278 6833) – the agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends;
- Bank Finasta AB (Maironio str. 11, Vilnius, tel. +370 5 203 2233) – the agreement on management of securities account, the agreement on investment services;
- Siauliu Bankas AB (Tilzes str. 149, Siauliai, Lithuania, tel. +370 41 595 607) – the agreement on management of securities account and intermediation;
- DnB Bankas AB (J. Basanaviciaus str. 26, Vilnius, Lithuania, tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas AB (Gedimino ave. 12, Vilnius, Lithuania, tel. +370 5 268 2370) – the agreement on securities accounting;
- Medicinos Bankas UAB (Pamenkalnio str. 40, Vilnius, Lithuania, tel. +370 5 264 4845) - the agreement on management of securities account;
- FMI Orion Securities UAB (A. Tumeno str. 4, block B, Vilnius, Lithuania, tel. +370 5 231 3841) - the agreement on investment services;
- Dom Maklerski BZ WBK S.A. (Pl. Wolnosci str. 15, 60-967 Poznan, Poland, tel. +48 61 856 48 80) – the agreement of intermediation;
- AB SEB Pank (Tornimae str. 2, 15010 Tallin, Estonia, tel. +372 6657 772) - the agreement of intermediation.

### 4. Information on Issuer's branches and representative offices

Invalda AB has no branches or representative offices.

### 5. The order of amendment of Issuer's Articles of Association

The Articles of Association of Invalda AB may be amended by resolution of the General Shareholders' Meeting, passed by more than 2/3 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

During the reporting period the Company's Articles of Association were amended twice:

- The amended version of the Articles of Association of Invalda AB was registered on March 30, 2012. The share capital of Invalda AB was increased from 51,659,758 litas to 57,557,940 litas.
- The new version of the Articles of Association of Invalda AB was registered on August 6, 2012. The Articles of Association were amended due to reduction of the share capital of the Company for the purpose of cancelling of the shares acquired by the Company. The share capital was decreased from 57,557,940 litas to 51,802,146 litas, by cancelling 5,755,794 ordinary registered shares at par value of 1 litas.

Actual wording of the Articles of Association is dated as of August 6, 2012. The document has been published on the Company's website.



## II. INFORMATION ABOUT SECURITIES

### 6. Information about Issuer's authorised capital

#### 6.1. Structure of the authorised capital

Table 6.1.1. Structure of Invalda AB authorised capital as of December 31, 2012

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %
Ordinary registered shares	51,802,146	51,802,146	1	51,802,146	100.00

Table 6.1.2. Structure of Invalda AB authorised capital as of April 8, 2013

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %
Ordinary registered shares	51,802,146	46,621,932	1	51,802,146	100.00

All shares are fully paid-up and no restrictions apply on their transfer.

#### 6.2. Adjustments of the authorised capital

Information concerning adjustments of Invalda AB authorised capital during past 10 years is presented below:

- During the period from October 15, 1996 till October 1, 2004 the authorised capital of Invalda AB amounted to 38,000,000 litas. It was divided into 38,000,000 ordinary registered shares of nominal value of 1 litas.
- The increased authorised capital of 40,417,339 litas was registered and divided into 40,417,339 ordinary registered shares of nominal value of 1 litas on October 1, 2004. The emission of 2,417,339 shares was issued during the process of reorganisation when Kremit AB shares were changed into Invalda AB ones.
- Invalda AB the General Shareholders' Meeting held on November 21, 2005 passed the resolution to increase the authorised capital of the Company by 1,317,323 litas from 40,417,339 litas up to 41,734,662 litas, by issuing 1,317,323 shares of nominal value of 1 litas. The amended Articles of Association were registered in the Register of Legal Entities on November 24, 2005. The increased authorised capital amounted to 41,734,662 litas and was divided into 41,734,662 ordinary registered shares of nominal value of 1 litas.
- Invalda AB and Pozityvios Investicijos AB reorganization was completed on June 30, 2006. Pozityvios Investicijos AB was merged with Invalda AB. During reorganisation shares of Pozityvios Investicijos AB were changed into Invalda AB shares – the emission of 3,273,714 Invalda AB shares was issued. After the reorganisation the authorised capital of Invalda AB amounted to 45,008,376 litas and was divided into 45,008,376 shares of nominal value of 1 litas.
- The reorganisation of Invalda AB and one of the major shareholders Nenuorama AB was finished on September 28, 2007. Nenuorama AB was merged with Invalda AB. Changing Nenuorama AB shares into Invalda AB ones, the emission of 19,866,060 shares was issued. Following the terms of the reorganisation 22,305,587 Invalda AB shares held by Nenuorama AB were annulled. After reorganisation the authorised capital of Invalda AB amounted to 42,568,849 litas and was divided into 42,568,849 shares of nominal value of 1 litas.
- The share capital of Invalda AB was increased by 9,090,909 litas, from 42,568,849 litas till from 51,659,758 litas issuing 9,090,909 ordinary registered shares of nominal value of 1 litas on February 3, 2010. New shares were issued after conversion of 50,000,000 litas bonds issue.
- The share capital of Invalda AB was increased by 5,898,182 litas, from 51,659,758 litas till 57,557,940 litas issuing 5,898,182 ordinary registered shares of nominal value of 1 litas on March 30, 2012. New shares were issued after conversion of 32,440,000 litas bonds issue.
- On August 6, 2012 the share capital of Invalda AB was decreased by 5,755,794 litas, from 57,557,940 litas till 51,801,146 litas canceling 5,755,794 ordinary registered shares of nominal value of 1 litas. The authorised capital of Invalda AB was decreased due to reduction of the share capital of the Company for the purpose of cancelling of the shares acquired by the Company.



### **6.3. Rights and obligations carried by the shares**

#### **6.3.1. Rights of the shareholders**

The Company's shareholders have the following property and non-property rights:

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive part of the Company's funds, when the Company's authorised capital is decreased, in order to pay the shareholders from the Company's funds;
- 3) to receive shares without payment if the authorised capital is increased out of the Company funds, except in cases provided by the laws of the Republic of Lithuania;
- 4) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholders' Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
- 5) to lend to the Company in the manner prescribed by laws;
- 6) to sell or otherwise transfer owned shares;
- 7) to receive a part of assets of the Company in liquidation;
- 8) other property rights provided by laws;
- 9) to attend the General Shareholders' Meetings;
- 10) to vote at the General Shareholders' Meetings according to voting rights carried by their shares;
- 11) to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 12) to appeal to the court for reparation of damage resulting from nonfeasance or malfeasance by the Company's manager and the Board members of their obligations prescribed by the Law on Companies of Republic of Lithuania and other laws of the Republic of Lithuania and the Company's Articles of Association as well as in other cases laid down by laws;
- 13) to submit the questions to the General Shareholders' Meeting related to the agenda issues to the Company in advance;
- 14) to authorise natural or legal person to represent his interests in relations with the Company and other persons
- 15) other non-property rights established by laws and the Company's Articles of Association.

#### **6.3.2. Obligations of the shareholders**

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Shareholders' Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Shareholders' Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

A shareholder shall repay the Company any dividend paid out in violation of the mandatory norms of the Law on Companies, if the Company proves that the shareholder knew or should have known thereof.

The shareholder shall provide for the Company with any changes in the following data: personal number, address, phone number, and bank account number. If the shareholder fails to communicate the afore mentioned details, provision of information by the known address or payment of money to the account indicated by the shareholder on the part of Invalda AB will be considered as proper execution by Invalda AB of its relevant obligation towards the shareholder.

## **7. Shareholders**

There are no shareholders entitled to special rights of control.

Invalda AB has no knowledge of any restriction on voting rights or mutual agreements between the shareholders, that might result in the restriction of shares transfer and (or) voting rights. There are no agreements to which the Issuer is a party and which would come into effect of being amended or terminated in case of change in the Issuer's control.

As of December 31, 2012 the total number of shareholders was 6,199 (as of December 31, 2011 it was 6,610).

Table 7.1. Shareholders who held title to more than 5% of Invalda AB authorised capital and / or votes as of December 31, 2012

Name of the shareholder or Company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership	Indirectly held voices (total votes of the persons acting in concert)	Total (together with the persons acting in concert)
Mr. Vytautas Bucas	8,198,367	15.83	15.83	8.21	24.04
Mr. Darius Sulnis	3,984,762	7.69	7.69	16.35	
Mr. Dalius Kaziusas	271,346	0.52	0.52	23,52	
Ms. Dovilė Kaziunienė	380	0.001	0.001	24.04	
Ms. Indre Misekyte	455,075	0.88	0.00 <sup>1</sup>	24.04	
Ms. Irena Ona Miseikiene	13,344,309	25.76	24.00 <sup>1</sup>	0.00	24.00
UAB „Lucrum investicija“, code 300806471, Seimyniškių str. 3, Vilnius	0	0	0.00	7.41 <sup>2</sup>	7.41
Ms. Daiva Baniene	1,836,234	3.54	3.54	11.06	14.60
Mr. Alvydas Banys	3,779,624	7.30	3.92 <sup>1</sup>	10.68	
UAB „RB finansai“, code 301999571, A. Juozapavičiaus str. 9 A	3,279,972	6.33	6.33	8.27	
UAB „LJB investments“, code 300822575, P. Smuglevičiaus str. 20, Vilnius	418,144	0.81	0.81	13.79	
Mr. Algirdas Bucas	4,501,030	8.69	8.18 <sup>1</sup>	0.00	8.18

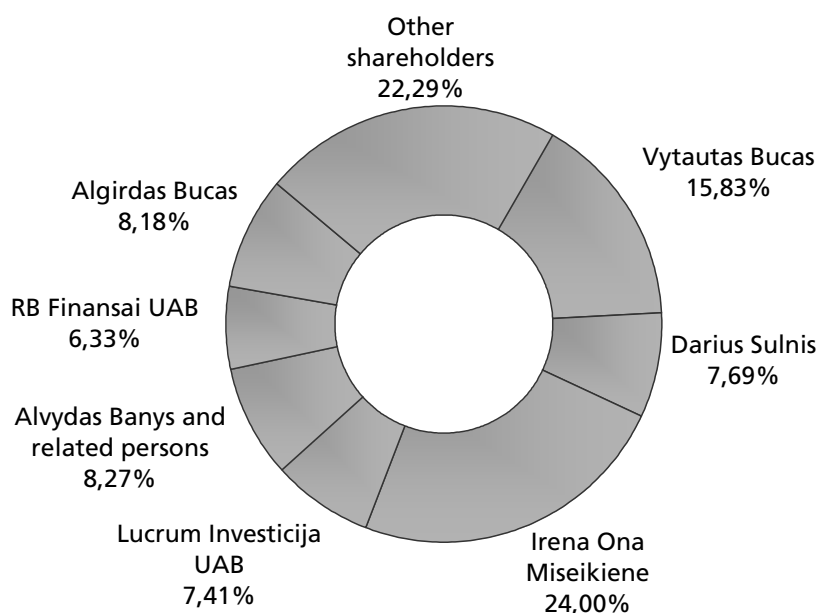


Fig. 7.1. Votes as of December 31, 2012

<sup>1</sup> The shareholder has acquired some of the Company's shares from other shareholders on the basis of repurchase agreement without voting rights.

<sup>2</sup> The shareholder has transferred some of the Company's shares to other shareholders on the basis of repurchase agreement without giving up voting rights.

Table 7.2. Shareholders who held title to more than 5% of Invalda AB authorised capital and / or votes as of April 8, 2013

Name of the shareholder or Company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership	Indirectly held voices (total votes of the persons acting in concert)	Total (together with the persons acting in concert)
Mr. Vytautas Bucas	8,198,367	15.83	17.58	9.13	26.71
Mr. Darius Sulnis	3,984,762	7.69	8.55	18.17	
Mr. Dalius Kazianus	271,346	0.52	0.58	26.13	
Ms. Dovilė Kaziunienė	380	0.001	0.001	26.71	
Ms. Indre Misekyte	455,075	0.88	0.00 <sup>3</sup>	26.71	
Ms. Irena Ona Miseikiene	13,344,309	25.76	26.67 <sup>3</sup>	0.00	26.67
UAB „Lucrum investicija“, code 300806471, Seimyniškių str. 3, Vilnius	0	0	0.00	8.23 <sup>4</sup>	8.23
Ms. Daiva Baniene	1,836,234	3.54	3.94	12.28	14.60
Mr. Alvydas Banys	3,779,624	7.30	4.35 <sup>3</sup>	11.87	
UAB „LJB investments“, code 300822575, P. Smuglevičiaus str. 20, Vilnius	3,698,116	7.14	7.93	8.29	
Mr. Algirdas Bucas	4,501,030	8.69	9.08 <sup>3</sup>	0.00	9.08

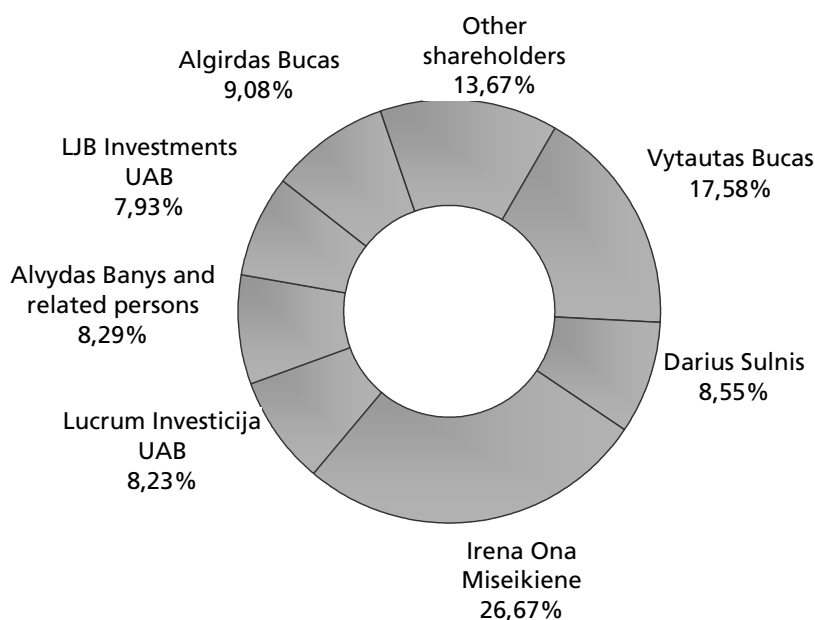


Fig. 7.2. Votes for the announcement day as of April 8, 2013

<sup>3</sup> The shareholder has acquired some of the Company's shares from other shareholders on the basis of repurchase agreement without voting rights.

<sup>4</sup> The shareholder has transferred some of the Company's shares to other shareholders on the basis of repurchase agreement without giving up voting rights.

Table 7.3. Distribution of securities by investors' groups as of December 31, 2012

Investors	Shareholders		Share of votes given by the owned shares	
	number	part, %	amount	part, %.
Households	6,120	98.73	41,908,150	80.90
Private corporations	47	0.76	7,844,473	15.14
Financial institutions and insurance corporations	32	0.52	2,049,523	3.96
<b>Total</b>	<b>6,199</b>	<b>100.00</b>	<b>51,802,146</b>	<b>100.00</b>

## 8. Information about the Issuer's own shares

After completion of the share buy – back program which lasted from May 2, 2012 till May 15, 2012, Invalda AB acquired 10 percent, i.e. 5,755,794, of its own shares. On August 6, 2012 acquired shares were reduced.

After completion of the share buy - back program which lasted from February 19, 2013 till March 5, 2013, the Company acquired 5 180 214 shares that constitutes 10 percent in the Company's authorized capital.

## 9. Trading of Issuer's and Issuer's group companies securities on a regulated market

### 9.1. Trading in securities of the Issuer

Table 9.1.1. Main characteristics of Invalda AB shares admitted to trading

ISIN code	LT0000102279
Name	IVL1L
Exchange	NASDAQ OMX Vilnius
List	Baltic Main List (from 01.01.2008)
Listing date	December 19, 1995
Shares issued, units	51,802,146
Total voting rights granted by the issued shares, units	46,621,932
Nominal value, litas	1
Total nominal value	51,802,146

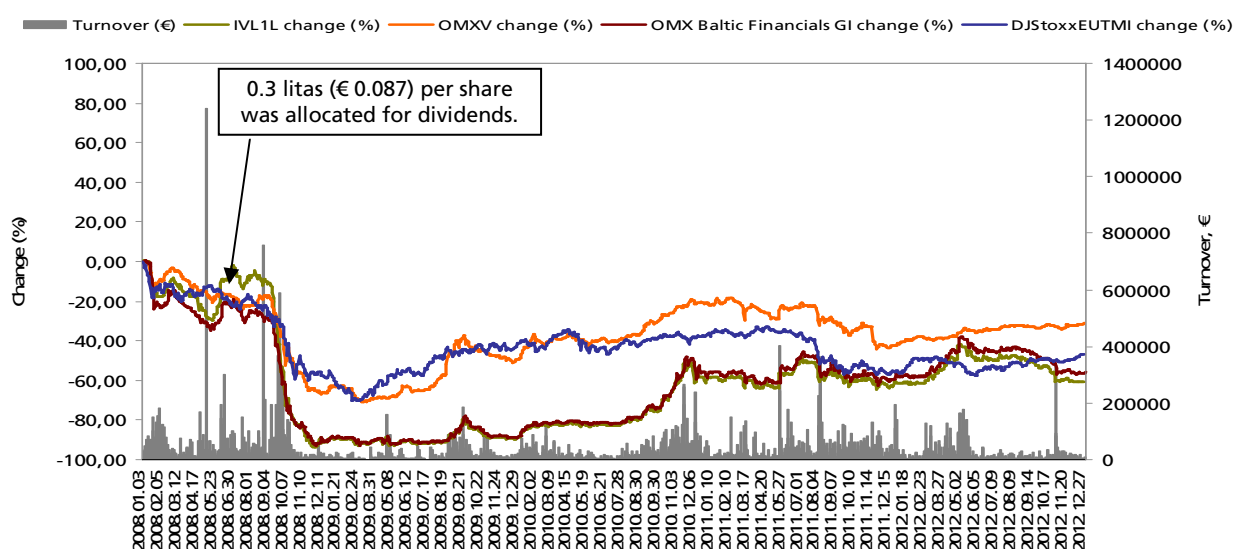
Company uses no services of liquidity providers.

Table 9.1.2. Trading in Invalda AB shares

	2008	2009	2010	2011	2012
Share price, €					
- open	4.967	0.484	0.533	2.000	1.930
- high	5.022	1.075	2.546	2.650	2.940
- low	0.298	0.319	0.521	1.733	1.871
- average	2.743	0.565	1.130	2.050	2.308
- last	0.484	0.533	1.989	1.943	1.970
Turnover, units	4,973,647	7,273,279	6,509,830	4,985,446	2,514,347
Turnover, €	13,635,456	4,108,353	8,245,131	10,143,287	5,857,710
Traded volume, units	9,162	8,443	12,768	10,377	5,754

Table 9.1.3. Trading in the Company's shares during the period of 2007–2011 (quarterly) on NASDAQ OMX Vilnius:

Reporting period	Price, €			Turnover, €			Last trading date	Total turnover	
	high	low	last	high	low	last		units	€
2008, 1st Q	5.022	4.055	4.185	183,066	6,412	45,536	31-03-2008	616,706	2,688,970
2008, 2nd Q	4.764	3.389	4.761	1,240,187	801	102,319	30-06-2008	1,035,248	4,051,223
2008, 3rd Q	4.953	2.143	2.201	755,441	4,904	281,133	30-09-2008	1,342,266	4,952,848
2008, 4th Q	2.520	0.298	0.484	302,649	1,820	7,495	30-12-2008	1,979,427	1,942,415
2009, 1st Q	0.571	0.319	0.449	44,993	181	3,040	31-03-2009	825,996	400,801
2009, 2nd Q	0.608	0.353	0.379	161,582	439	46,920	30-06-2009	1,907,207	836,172
2009, 3rd Q	1.075	0.379	0.933	186,227	810	28,126	30-09-2009	2,948,823	1,884,303
2009, 4th Q	0.933	0.501	0.533	90,785	730	16,183	30-12-2009	1,591,253	987,077
2010, 1st Q	0.941	0.521	0.860	113,067	2,990	9,820	31-03-2010	2,227,864	1,804,818
2010, 2nd Q	0.956	0.811	0.857	53,728	551	12,738	30-06-2010	768,037	676,519
2010, 3rd Q	1.335	0.759	1.205	85,491	437	16,292	29-09-2010	1,197,017	1,310,740
2010, 4th Q	2.546	1.196	1.989	267,088	5,745	17,358	30-12-2010	2,316,912	4,453,054
2011, 1st Q	2.120	1.750	1.920	150,568	1,832	18,787	31-03-2011	796,183	1,582,474
2011, 2nd Q	2.400	1.750	2.400	402,497	374	68,034	30-06-2011	1,099,505	2,309,339
2011, 3rd Q	2.650	1.780	1.947	362,058	2,837	13,227	30-09-2011	1,554,598	3,284,869
2011, 4th Q	2.135	1.733	1.943	195,457	6,726	143,223	30-12-2011	1,535,160	2,966,605
2012, 1st Q	2.28	1.871	2.274	127,995	674	15,259	30-03-2012	670,763	1,373,701
2012, 2nd Q	2.94	2.274	2.55	177,168	762	15,092	29-06-2012	20,800	2,629,952
2012, 3rd Q	2.65	2.35	2.37	35,197	680	3,187	28-09-2012	234,143	593,480
2012, 4th Q	1.90	2.39	1.97	333,019	689	10,931	28-12-2012	622,601	1,260,577


 Fig. 9.1.1. Turnover of Invalda AB shares, change of share price and indexes<sup>5</sup>, 2008-2012

<sup>5</sup> OMX index is an all-share index which includes all the shares listed on the Main and Secondary lists on the NASDAQ OMX Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares. The OMX Baltic Financial GI index is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE). Dow Jones Stoxx EU Enlarged TMI index covers approximately 95% of the free float market capitalisation of the New Europe countries, including Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

Table 9.1.4. Capitalisation

Last trading date	Number of issued shares, units	Last price, €	Capitalisation, €
31-03-2008	42,568,849	4.185	178,150,633
30-06-2008	42,568,849	4.761	202,670,290
30-09-2008	42,568,849	2.201	93,694,037
30-12-2008	42,568,849	0.484	20,603,323
31-03-2009	42,568,849	0.449	19,113,413
30-06-2009	42,568,849	0.379	16,133,594
30-09-2009	42,568,849	0.933	39,716,736
30-12-2009	42,568,849	0.533	22,689,197
31-03-2010	51,659,758	0.860	44,427,392
30-06-2010	51,659,758	0.857	44,272,413
30-09-2010	51,659,758	1.208	62,404,988
30-12-2010	51,659,758	1.989	102,751,259
31-03-2011	51,659,758	1.920	99,186,735
30-06-2011	51,659,758	2.400	123,983,419
30-09-2011	51,659,758	1.947	100,581,549
30-12-2011	51,659,758	1.943	100,374,910
31-03-2012	57,557,940	2.274	130,886,756
30-06-2012	57,557,940	2.55	146,772,747
30-09-2012	51,802,146	2.37	122,771,086
30-12-2012	51,802,146	1.97	102,050,228

## 9.2. Trading Issuer's group companies securities

Shares of Invalda AB group company Vilniaus Baldai AB are admitted to trading in NASDAQ OMX Vilnius Main List.

### 9.2.1. Trading in shares of Vilniaus Baldai AB

Table 9.2.1.1. Main characteristics of Vilniaus Baldai AB shares admitted to trading

ISIN code	LT0000104267
Name	VBL1L
Exchange	NASDAQ OMX Vilnius
List	Baltic Main List
Listing date	June 05, 2000
Share issue, units	3,886,267
Nominal value, litas	4
Total nominal value, litas	15,545,068

Table 9.2.1.2. Trading in Vilnius Baldai AB shares

	2008	2009	2010	2011	2012
Share price, €					
- open	6.227	3.475	2.604	9.401	10.300
- high	6.661	3.186	10.426	13.000	14.900
- low	3.360	1.741	2.462	7.800	10.300
- last	3.475	2.607	9.500	10.300	14.200
Turnover, units	160,117	136,738	206,393	113,526	81,859
Turnover, million €	0.83	0.32	1.22	1.15	1.07
Capitalisation, million €	13.51	10.13	36.92	40.03	55.17

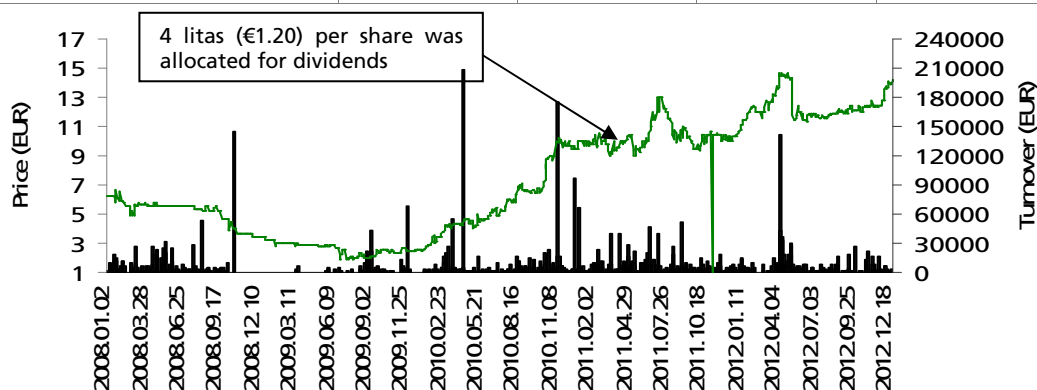


Fig. 9.2.2.1. Turnover and share price of Vilnius Baldai AB, 2008-2012

## 10. Dividends

The General Shareholders' Meeting decides upon dividend payment and sets the amount of dividends. The Company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

Persons have the right to receive dividends if they were shareholders of the Company at the end of the tenth working day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends. According to the Law on Personal Income Tax and the Law on Corporate Income Tax, 20% tax (until 2009 it was 15%) is applied to the dividends. The Company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes<sup>6</sup>.

The information about the dividends paid during the last 5 years is presented below:

Table 10.1. Dividends

	Financial year				
	2008	2009	2010	2011	2012
The date of the ordinary shareholder's meeting date	30.04.2009	30.04.2010	29.04.2011	30.04.2012	30.04.2013
Total sum of dividends, litas	-	-	-	-	
Dividends per share, litas	-	-	-	-	
Net dividends per share (15% of Personal Income tax or Corporate Income tax is withdrawn), litas	-	-	-	-	
Share of nominal value, %	-	-	-	-	
Dividend yield (dividend per share / share price for the last day of the period), %	-	-	-	-	
Dividend payment rate (total sum of the dividends / net profit)	-	-	-	-	

Dividends for the period of 2008 - 2011 were not allocated.

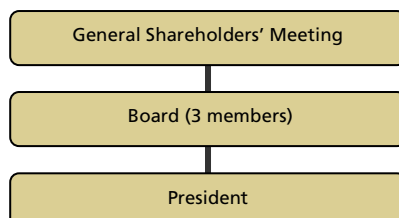
<sup>6</sup>This information should not be treated as tax consultation.



### III. ISSUER'S MANAGING BODIES

#### 11. Structure, authorities, the procedure for appointment and replacement

The governing bodies of Invalda AB are: the General Shareholders' Meeting, sole governing body – the President, and a collegial governing body – the Board. The Supervisory Board is not formed.



##### 11.1. The General Shareholders' Meeting

Persons who were shareholders of the Company at the close of the accounting day of the meeting (the 5<sup>th</sup> working day before the General Shareholders' Meeting) shall have the right to attend and vote at the General Shareholders' Meeting in person, unless otherwise provided for by laws, or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties. The shareholder's right to attend the General Shareholders' Meeting shall also cover the right to speak and enquire.

The General Shareholders' Meeting may take decisions and shall be held valid if attended by the shareholders who hold the shares carrying not less than ½ of all votes. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the General Shareholders' Meeting. If a quorum is not present, the General Shareholders' Meeting shall be considered invalid and a repeat General Shareholders' Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the General Shareholders' Meeting that has not been held and to which the quorum requirement shall not apply.

An Annual General Shareholders' Meeting must be held every year at least within 4 months from the close of the financial year.

The General Shareholders' Meeting shall have the exclusive right to:

- amend the Articles of Association of the Company, unless otherwise provided for by the Law on Companies of the Republic of Lithuania;
- to change the Company's registered office;
- elect members of the Board;
- dismiss the Board or its members;
- elect and dismiss the firm of auditors, set the conditions for auditor remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- take a decision regarding conversion of shares of one class into shares of another class, approve share conversion procedure;
- approve the set of annual financial statements;
- take a decision on profit/loss appropriation;
- take a decision on the formation, use, reduction and liquidation of reserves;
- take a decision on the issue of convertible debentures;
- take a decision on withdrawal for all the shareholders the pre-emption right to acquire the Company's shares or convertible debentures of the specific issue;
- take a decision to increase the authorised capital;
- take a decision to reduce the authorised capital, except the cases provided for by the Law on Companies of the Republic of Lithuania;
- take a decision for the Company to purchase its own shares;
- take a decision on the reorganisation or split-off of the Company and approve the terms of reorganisation or split-off;

- take a decision on transformation of the Company;
- take a decision on restructuring of the Company;
- take a decision to liquidate the Company, cancel the liquidation of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania;
- elect and dismiss the liquidator of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania.

The General Shareholders' Meeting may also decide on other matters assigned within the scope of its powers by the Articles of Association of the Company, unless these have been assigned under the Law on Companies of the Republic of Lithuania within the scope of powers of other organs of the Company and provided that, in their essence, these are not the functions of the governing bodies.

## 11.2. The Board

The Board shall continue in office for the 4 year period or until a new Board is elected and commences its activities, but not longer than until the date of the Annual General Shareholders' Meeting to be held during the final year of the term of office of the Board. If individual members of the Board are elected, they shall serve only until the expiry of the term of office of the current Board.

The Board or its members shall commence their activities after the close of the General Shareholders' Meeting which elected the Board or its members. Where the Articles of Association of the Company are amended due to the increase in the number of its members, newly elected members of the Board may commence their activities solely from the date of registration of the amended Articles of Association. The Board shall elect the chairman of the Board from among its members.

The General Shareholders' Meeting may dismiss from the office the entire Board or its individual members before the expiry of their term of office. A member of the Board may resign from his post before the expiry of his term of office, notifying the Board in writing at least 14 calendar days in advance.

The Board shall have all authorities provided for in the Articles of Association of the Company as well as those assigned to the Board by the laws. The activities of the Board shall be based on collegial consideration of issues and decision-making as well as shared responsibility to the General Shareholders' Meeting for the consequences of the decisions made. Striving for as big benefit for the Company and shareholders as possible and in order to ensure the integrity and transparency of the control system, the Board closely cooperates with the manager of the Company. The working procedure of the Board shall be laid down in the rules of procedure of the Board adopted by it.

The Board shall consider and approve:

- the operating strategy of the Company;
- the annual report of the Company;
- the management structure of the Company and the positions of the employees;
- the positions to which employees are recruited through competition;
- regulations of branches and representative offices of the Company.

The Board shall elect and dismiss from office the manager of the Company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him.

The Board shall determine which information shall be considered to be the Company's commercial secret and confidential information. Any information which must be publicly available under the laws may not be considered to be the commercial secret and confidential information.

The Board shall take the following decisions:

- for the Company to become an incorporator or a member of other legal entities;
- to open branches and representative offices of the Company;
- to invest, dispose of or lease the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction);
- to pledge or mortgage the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions);
- to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company;
- to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company;
- to restructure the Company in the cases laid down by the Law on Restructuring of Enterprises of the Republic of Lithuania;

- other decisions assigned to the scope of powers of the Board by the Law on Companies of the Republic of Lithuania, Articles of Association or the decisions of the General Shareholders' Meeting.

The Board shall analyse and evaluate the information submitted by the manager of the Company on:

- the implementation of the operating strategy of the Company;
- the organisation of the activities of the Company;
- the financial status of the Company;
- the results of business activities, income and expenditure estimates, the stocktaking data and other accounting data of changes in the assets.

The Board shall analyse and assess a set of Company's and consolidated annual financial statements and draft of profit/loss appropriation and shall submit them to the General Shareholders' Meeting together with the annual report of the Company.

It shall be the duty of the Board to convene and organise the General Shareholders' Meetings in due time.

Members of the Board must keep commercial secrets of the Company and confidential information which they obtained while holding the office of members of the Board.

### 11.3. The President

The manager of the Company (the President) shall be elected and dismissed from office by the Board which shall also fix his salary, approve his job description, provide incentives and impose penalties. An employment contract shall be concluded with the President. The President shall assume office after the election, unless otherwise provided for in the contract concluded with him. If the Board adopts a decision on his removal from office, the employment contract therewith shall be terminated.

In his activities, the President shall be guided by laws and other legal acts, the Articles of Association of the Company, decisions of the General Shareholders' Meeting and the Board, his job description. The President is accountable to the Board.

The President shall organise daily activities of the Company, hire and dismiss employees, conclude and terminate employment contracts therewith, provide incentives and impose penalties.

The President shall act on behalf of the Company and shall be entitled to enter into transactions at his own discretion. The President may conclude the transactions to invest, dispose of or lease the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction), to pledge or mortgage the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions), to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company, to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company, provided there is a decision of the Board to enter into these transactions.

The President shall be responsible for:

- the implementation of the Company purposes and organising the Company activities;
- drawing up of the set of annual financial statements and drafting of the annual report of the Company;
- conclusion of a contract with a firm of auditors;
- submission of information and documents to the General Shareholders' Meeting and the Board;
- submission of documents and particulars of the Company to the manager of the Register of Legal Entities;
- submission of the documents to the Securities Commission and the Central Securities Depository of Lithuania;
- publication of the information referred to in the legal acts;
- submission of information to shareholders;
- performance of other duties laid down in the laws and legal acts as well as in the Articles of Association and the job regulations of the President.

The President must keep commercial secrets and confidential information of the Company which he learned while holding this office.

## 12. Information about members of the Board, CFO and the Audit Committee of the Company

During the Ordinary General Shareholders' Meeting on April 30, 2010, the Board was elected for the new 4 years term of office.

On April 6, 2012 Invalda AB received a notice from Dalius Kaziunas regarding his resignation from the position of the Company's Board member position from April 30, 2012. Dalius Kaziunas has been appointed as a President of Invalda AB since January 1, 2012.

On the Ordinary General Shareholders meeting of April 30, 2012 Indre Miseikyte was elected to the Board of the Company until the end of the term of office of the current Board.

## 12.1. Information about the management of the Company



Chairman of the Board  
Vytautas Bucas (1968)

### Educational background and qualifications

1993, Vilnius University, Faculty of Economics

Since 2002 member of Association of Chartered Certified Accountants, UK

### Job experience

Since 2006 advisor, member of the Board, Invalda AB (since May 2007 chairman of the Board, Invalda AB)

2006–2007 director, Invaldos Nekilnojamojo Turto Fondas AB

2000–2006 member of the Board, executive vice president, CFO, Head of IT department, SEB Vilniaus Bankas AB

1992–2000 senior manager, manager, senior auditor, Arthur Andersen

**Owned amount of Invalda AB shares is the following:** 8,198,367 units of shares and votes. Share of authorised capital – 15.83%. Share of votes given by the shares held by the right of ownership –15.83<sup>7</sup>%. Total (together with the persons acting in concert) –24.04<sup>7</sup>%.

### Participation in other companies

Name of the company or organization	Position
Invaldos Nekilnojamojo Turto Fondas AB	Chairman of the Board
Vilniaus Baldai AB	Chairman of the Board
BAIP Group UAB	Chairman of the Board
Inreal pastatu prieziura UAB	Board member
Invalda Lux S.a.r.l.	Board member
Litagra UAB	Board member



Member of the Board  
Darius Sulnis (1971)

### Educational background and qualifications

1993, Vilnius University, Faculty of Economics

Financial broker's license (general) No. A109

### Job experience

2006 - 2011 the President (since 2012 member of the Board, Invalda AB).

2002–2006 director, Invalda Nekilnojamojo Turto Valdymas UAB

1994–2002 director, FBC Finasta AB

**Owned amount of Invalda AB shares is the following:** 3,984,762 units of shares. Share of authorised capital – 7.69 %. Share of votes given by the shares held by the right of ownership – 7.69<sup>7</sup> %. Total (together with the persons acting in concert) – 24.04<sup>7</sup>%.

### Participation in other companies

Name of the company or organization	Position
Vilniaus Baldai AB	Board member
Burusala SIA	Chairman of the Supervisory Board
DOMMO SIA	Chairman of the Supervisory Board
Invaldos Nekilnojamojo Turto Fondas AB	Board member
Litagra UAB	Board member

### Owned shares and votes of other companies:

Company	Portion of share capital	Portion of votes
Golfas UAB	31 %	31 %
Lucrum Investicija UAB	100 %	-

<sup>7</sup> Owned amount of Invalda AB shares as of December, 2012



Member of the Board  
Indre Miseikyte (1970)

### Educational background and qualifications

1994 Vilnius Gedimino Technical University, faculty of architecture

### Job experience

Since 2012 member of the Board, Invalda AB  
 Since 2002 an architect, Inreal valdymas UAB  
 2000 – 2002, an architect, Gildeta UAB  
 1996 - 2002, an architect, Invalda AB  
 1996 – 1997 an architect, Gildeta UAB  
 1996 – 1997 an architect, Kremita UAB  
 1994 – 1996 an architect, Vilniau baldai AB

**Owned amount of Invalda AB shares is the following:** 455,075 units of shares. 0.88 percent of Invalda AB shares acquired by repurchase agreement, but those shares do not allow for voting rights.



The President, Member of the Board  
Dalius Kaziusas (1976)

### Educational background and qualifications

2000, Vilnius university, Faculty of Economics  
 Financial broker's license (trader) No. P022

### Job experience

Since January 2012, Invalda AB the President  
 Since February 2008 Invalda AB advisor, July 2008 – Board member  
 2008 - 2009 Bank Finasta AB general manager  
 1996-2008 FBC Finasta AB director (since 2002), financial broker, assistant to the financial broker

**Owned amount of Invalda AB shares is the following:** 271,346 units of shares and votes. Share of votes given by the shares held by the right of ownership – 0.527%. Total (together with the persons acting in concert) – 24.047%.

### Participation in other companies

Name of the company or organization	Position
Ineturas UAB	Board member
Inreal pastatu prieziura UAB	Board member
Vilniaus Baldai AB	Board member
Kelio Zenklai UAB	Chairman of the Board from July of 2012
BAIP Group UAB	Board member
Invetex AB	Board member
Vernitas AB	Supervisory Board member
Invalda Lux S.a.r.l.	Board member
Jurita UAB	Board member
Lauko gelininkystes bandymu stotis UAB	Chairman of the Board
Litagra UAB	Board member



CFO  
Raimondas Rajeckas (1977)

### Educational background

2001, Vilnius University, Faculty of Economics

### Job experience

Since 2006 CFO, Invalda AB

2001-2006 CFO, Valmeda AB

2000-2001 CFO, Galincius AB

2000-2001 CFO, Invaldos Marketingas UAB (current name Inreal valdymas UAB)

2000-2002 accountant, Gildeta AB

1998-2000 accountant, Invalda AB

**Owned amount of Invalda AB shares is the following:** 66,200<sup>7</sup> units of shares and votes. Share of authorised capital and votes – 0.13 %.

### Participation in other companies

Name of the company or organization	Position
Aktyvo UAB	Director
Investiciju Tinklas UAB	Director
FORTINA UAB	Director
Aktyvus Valdymas UAB	Director
Finansu Rizikos Valdymas UAB	Director
Iniciatyvos Fondas	Director
MBGK UAB	Director
MGK Invest UAB	Director
RPNG UAB	Director
Regenus UAB	Director
Cedus Invest UAB	Director
Consult Invalda UAB	Director
VIA Solutions UAB	Director
Cedus UAB	Director
Invetex AB	Chairman of the Board
Invaldos nekilnojamojo turto fondas AB	Director (since 2013 01)

## 12.2. Information about the Audit Committee of the Company

The Audit Committee consists of 2 members, one of which is independent. The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Audit Committee should be the following:

- provide recommendations to the Board of the Company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the process of preparation of financial reports of the Company;
- monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function.

The independent Audit Committee member Vaidas Savukynas was elected by the Ordinary General Shareholders' Meeting of Invalda AB on April 29, 2011. Danute Kadanaite and Tomas Savukynas are the Audit Committee members at the moment.

Information about the members of the Audit Committee:

Danute Kadanaite

**Educational background**

2004 – 2006, Mykolas Romeris university, faculty of Law. Master's degree in financial law;

2000 – 2004, Law university. Bachelor's degree in law;

1997, International school of management;

**Job experience**

Since 2009 Legisperitus UAB, lawyer

2002 - 2009 FBC Finasta, lawyer;

1999 – 2002 office of lawyer Arturas Sukevicius, administrator;

1994 – 1999 FBC Apyvarta, law consultant

**Do not hold Invalda AB shares**

Vaidas Savukynas

**Educational background**

1996, Leeds university (United Kingdom), introductory course of financial sector scheme;

1994, Stockholm university (Sweden), master's degree in social science;

1993, Vilnius university, diploma in economics;

1986, the 18<sup>th</sup> secondary school of Vilnius City.

**Job experience**

Since 2011 – Retail chain Narodnyi (Kyrgyzstan), CFO;

2010 Public Company Zemaitijos pienas, head of administration;

2006 - 2009 Apranga Group (part of MG Baltic), CFO;

2004 – 2005 MG Baltic, financial analyst, project manager;

2000 – 2004 MG Baltic Trade UAB (part of MG Baltic), CFO;

1997 – 1998 Public investment company Investicijos Fondas, vice president;

1996, 1998 – 2000 Private investment company Minvista, financial analyst / controller, CFO;

1996 - Asia Equity (UK) Ltd. (United Kingdom, London), financial analyst assistant;

1993 – 1995 Bankoras, director;

1990 – 1992 Public company Lietuvos birža, marketing manager.

**Do not hold Invalda AB shares**

### 13. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Board members, the president and CFO

The members of the Board and the president who are directly elected by the General Shareholders' Meeting and have concluded employment contracts with the Company as well as CFO of the Company are entitled only to a fixed salary. The Company does not have a policy concerning payment of a variable part of remuneration to the Board members or management.

During the year 2012 the Board members did not receive dividends or bonuses from the Company. There were no assets transferred, no guarantees granted, no bonuses paid and no special payouts made by the Company to its managers. The members of the Board and the president of the Company were granted with bonuses in the amount of 3 million litas by other companies of Invalda AB group.

Table 13.1. Information about calculated remuneration of Invalda AB managers for 2012

	Calculated remuneration, thousand litas	
	2011	2012
For members of the Board	695	998
For each member of the Board (average per month)	20	30
For members of administration (the President and CFO) <sup>8</sup>	352	681
For each member of administration (average per month)	15	29

<sup>8</sup> Company and Group companies calculated remuneration





#### IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

### 14. An objective review of the Issuer's and its group companies position, their performance and business development

#### 14.1. Goals, philosophy and management principles

##### What is Invalda AB?

Invalda AB is one of the major Lithuanian investment companies whose primary objective is to steadily increase the investor equity value. For the purpose of attainment of this objective Invalda AB actively manages its investments, exercising control or significant influence over target businesses.

Invalda AB started the activity in 1991. Its equities have been traded on the NASDAQ OMX Vilnius Exchange since 1995.

Currently, Invalda AB group key entities operate in the furniture manufacturing, real estate, facilities management, agricultural and information technology (IT) sectors.

In respect of each business Invalda AB defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. We play an active role in passing decisions on strategic and other important issues that have an effect upon the value of the group companies.

##### Investment philosophy

We are investors driven by shareholder value creation objectives. We seek to acquire competitive businesses that, with an influx of additional capital or management resources, may successfully further develop organically, consolidate fragmented markets or provide other possibilities to increase value. We also invest into undervalued assets that, when restructured, may facilitate significant value increase. We never avoid any complex business opportunities supported by our belief that our efforts will lead to good results.

We believe that a merge of different competences may potentially appreciate the investment value therefore quite often we execute transactions in cooperation with our partners, among them people with ideas, also major Lithuanian business groups, as well as foreign investment funds.

With a view to maximising the investment potential to its full scale we normally pursue long-term prospects and do not seek to define any clear-cut withdrawal horizons. We focus our efforts to maximise the investment value in the long-term perspective, and offer business for sale only when they are properly prepared and become attractive to potential buyers, or having received any proposal matching the corporate future prospects.

##### Management principles

Invalda AB is proactively managing its investment guided by the following principles:

- **Competitiveness and independence.** Each business of the group must be competitive and self-sufficient, have professional teams and top managers capable of creating business visions and implementing ambitious objectives;
- **Risk segregation.** Invalda AB does not grant guarantees or assume any obligations in respect of individual businesses, and individual businesses do not assume any obligations in respect of each other.
- **Diversification.** We diversify our investment in order to avoid any excessive risk concentration in homogeneous business sectors.
- **Transparency.** We disclose information in adherence to the requirement that market participants must get equivalent information at the same time, except such cases where the publication of the information is not possible because of the obligations assumed in respect of third parties, and/or the disclosure may adversely affect the businesses' ability to compete.
- **Avoidance of conflicts of interest.** Managers of the group companies do not participate in competing activities.

#### 14.2. Operational environment

2012 was a successful year for Lithuanian economy. After a very robust 2011 GDP recovery when it was growing at an incredible 5.9 percent, another solid year is bound to follow. It is forecasted that Lithuanian GDP can grow at 3.5 - 4.0 percent in 2012.

Other Baltic states have also moved forward although their growth rate, as in the Lithuanian case, has slowed down considerably. It is expected that Estonian GDP growth in 2012 will reach almost 3.0 percent, while Latvia can see its GDP growth at 4.5 percent. Although a much weaker result was forecasted at the start of the year, the analysts have upgraded their estimates due to stronger export growth, recovering internal consumption and investments. Neighbouring Poland is forecasted to grow its economy by 2.5 percent.

Table 14.2.1. The forecast for GDP change (percent)

	Yearly real GDP change (percent)			
	2011	2012 forecast	2013 forecast	2014 forecast
World	3.1	2.6	3.0	3.4
USA	1.8	2.2	2.1	2.7
Euro zone	1.4	-0.5	-0.3	0.9
Japan	-0.5	2.0	1.3	1.5
Germany	3.2	0.7	0.6	1.6
United Kingdom	0.9	0.0	1.3	1.5
China	9.3	7.8	8.1	7.7
Poland	4.3	2.5	1.6	2.5
Russia	4.3	3.5	3.6	3.9
Baltic states	6.4	4.0	3.4	3.9
Lithuania	5.9	3.6	3.2	3.5

Source: SEB publication „Nordic Outlook“, 2013 February, OECD, World bank.

Baltic States' economy growth should slow down because of sluggish economic situation in euro zone which should dampen the export demand; however, this should be counterbalanced by a recovering domestic consumer demand and investments. A slump in exports to Western Europe should be softened by a higher post-crisis Baltic States' industry competitiveness and slow wage growth which is pinned down by large unemployment. Still prevailing very low interest rates and a much more stable consumers' balance sheet could pave way for an increase in credit portfolio, which was hurt in the past few years by the bankruptcy of bankas Snoras AB and nationalisation of Ukio bankas AB.

A recovering Lithuanian economy has also breathed some life into merger and acquisition market, although 2012 was not as active by deal value as 2011.

### 14.3. Significant events, tasks and investments accomplished in 2012

#### The Company

- **In January, 2012, Invalda AB sold 29.27 percent of shares of the metal processing company Umega AB.** Shares sold for the 3.7 million litas. The transaction should have a preliminary positive effect of approximately 2 million litas in the consolidated statements.

- **The Company received the notification from the bondholders indicating that the bondholders decided to exercise their right to convert bonds to shares of Invalda AB.** The conversion of 32.44 million litas resulted into the increase of the share capital of Invalda AB by 5.898 million litas up to 57.558 million litas.

The conversion price of new shares was 5.5 litas per share. After the conversion the bondholders had the obligation to pay back 4.788 million litas interest paid according to the conditions of the bond issue. The accrued interest as of March 30, 2012 in the amount of 2.376 million litas was not payable to the bondholders

Invalda AB issued convertible 25 million litas par value bonds on December 1, 2008. These bonds were acquired by RB finansai UAB. Another convertible 7.44 million litas par value bond issue was issued on January 30, 2010 which was sold to DIM Investment UAB. The annual interest rate for both bond issues was 9.9 percent, maturity date – July 2, 2012 (in case the bonds are not converted at earlier date). After the conversion RB finansai UAB got 7.9 percent of Invalda AB shares and DIM Investment UAB – 2.35 percent.

Invalda AB is completely debt free after the completion of the bond conversion. The Company will continue to adhere to the prudent borrowing policy.

- **Invalda AB shareholders approved the results for the year 2011 and formed a reserve of 269.1 million litas for the share buy-back.** Taking into consideration the passed resolutions the Board of Invalda AB decided to acquire up to 10 per cent of shares of the Company, paying for each of them 10.358 litas. The share buy-back program lasted until May 15. After the program Invalda AB acquired 10 percent of Invalda AB shares for 59.6 million litas. The amount of proposed for sale shares was higher than the amount to be acquired, therefore each selling shareholder sold 14.47 percent of shares. As own shares of the Company do not have voting rights, the shares of Invalda AB with voting rights total to 51,802,146.

- **Indre Miseikyte, 41 years old, was elected to the Board by the Ordinary General Shareholders Meeting of April 30, 2012.** On April 06, 2012 Dalius Kaziunas resigned from the Board and now he is the President of Invalda AB.

Miseikyte has graduated architecture studies in Vilnius Gediminas technical university. She is currently employed as an architect at Inreal Valdymas UAB, Invalda AB Group Company.

- The resolution to reduce the Company's authorized share capital till 51.8 million litas (€15 million) by cancelling Company's treasury shares was adopted on 24 of May in the Invalda AB Extraordinary General Shareholders' meeting. The Board of Invalda AB was authorized to organise an additional buy-back of up to 10 percent of Invalda AB shares paying for each of them from 1 € to 5 €.
- The Articles of Association were amended due to reduction of the share capital of the Company for the purpose of cancelling of the own shares on August 6, 2012. The share capital of Invalda AB was reduced from 57,557,940 litas to 51,802,146 litas by cancelling 5,755,794 ordinary registered shares at par value of 1 litas.
- In the fourth quarter it was decided to reduce Invalda's share in TrakcjaTiltra S.A. (on September 30, 2012 Invalda AB owned 12.5% shares of Trakcja-Tiltra S.A.). After a number of transactions on Warsaw Stock Exchange, Invalda's share was decreased to less than 10 percent of the total vote of the company.
- The Extraordinary General Shareholders Meeting of Invalda AB was held on November 20, 2012. The meeting approved drawing - up of the terms of Invalda AB split-off and authorized the Board to prepare the terms of split-off as well as appoint necessary experts and auditors for the preparation and assessment of the said terms, and conduct other related actions.

## The Sectors

### Furniture manufacturing sector

In the furniture manufacturing sector Invalda AB controls Vilniaus Baldai AB. This company produces flat-pack furniture and sells almost all its production to the Swedish concern IKEA. Vilniaus Baldai AB manufactures furniture from particle board. Due to used BOF (board on frame) technology the furniture is lightweight.



The main results of Inter IKEA Systems B.V., the owner and franchisor of IKEA, are presented in the table 14.3.1.

Table 14.3.1 Main results of IKEA

	2010	2011	2012
Turnover of all IKEA stores, € billion	23.8	26.0	27.5
The number of IKEA stores visitors, million	699	734	776
The number of IKEA stores	316	325	338

Source: Inter IKEA Systems B.V. <http://franchisor.ikea.com> IKEA financial year ends on the 31<sup>st</sup> of August.

In 2012, sales of Vilniaus baldai AB amounted to 230.14 million litas or 3.5 percent less than in 2011 (238.37 million litas). Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) reached 34.78 million litas (in 2011 - 36.10 million litas). Having eliminated the influence of one-off costs in 2012, EBITDA totalled to 37.78 million litas and exceeded the EBITDA of 2011 by 2.4 percent (36.9 million litas). In 2012, the company earned a net profit of 26.84 million litas (in 2011 - 26.81 million litas).

In 2012 the market of raw materials remained stable, while due to improvement in production process, the company managed to use raw materials more effectively, increasing the gross margin by 1 percent, and reducing production costs even under higher labour costs. In 2012, average gross wages were 7 percent higher than in 2011, while labour efficiency grew by almost 14 percent.

Lower sales were caused by changes in product portfolio that had started in 4th quarter of 2012. Within the period between the 4th quarter of 2012 and 1st and 2nd quarters of 2013, the company intends to change approximately 50 percent of product portfolio. The company will cease production of various structure shelves that have been included into product range so far, and launch production of children's furniture, writing-desks and other new products. New production items are more elaborate, they require more sophisticated production technologies, and will provide higher added value. All this is the evidence of high degree of Vilniaus baldai AB competitiveness.

In order to be able to manufacture new production and ensure required volumes, the company has embarked on a series of reforms: new equipment was introduced and advanced technologies implemented, while planned investments in technological equipment to be made in 2012-2013 will amount to approximately 27 million litas. In connection with the changes above, labour process will change as well. In the 2nd and 3rd quarters of 2013, the company will concentrate its production operations in the main factory and increase a number of work shifts there (the other factory will be rearranged in terms of technical equipment, and this would not be possible to execute when operation takes place). From September 2013 Vilniaus baldai AB will be operating in usual conditions.

In connection with the abovementioned changes, the Company does not predict that sales of 2012 will be achieved in 2013 but still expects to be profitable and preserve all jobs.

Vilniaus baldai AB exports all its production, which is purchased by Swedish concern IKEA.

Table 14.3.2. Results of the furniture manufacturing sector

Million litas	2010	2011	2012
Sales	197.2	238.4	230.1
EBITDA	38.2	36.1	34.8
Net result	27.9	26.8	26.8
Capitalisation	127.48	138.2	190.5

Table 14.3.3. Number of employees

Number of employees	2010	2011	2012
-	453	507	464

### Real estate sector

In the real estate sector Invalda AB owns commercial rental real estate, agricultural land and development sites, as well as develops residential housing projects.

The companies of real estate sector of Invalda AB incurred an 11.0 million litas loss during 2012. The majority of this loss was due to the revaluation of investment property of 8.7 million litas. The loss of 2011 amounted to 17.9 million litas.

New acquisitions worth 3.1 million litas in total were made in 2012. The largest part of this sum was invested into agricultural land, while the disposals in real estate sector amounted to 13.1 million litas: commercial – 6.1 million litas and residential – 7 million litas during 2012.

Total rental income including income from the property owned by clients was 17.9 million litas during 2012 or 7.2 percent bigger than in 2011. Rental income increased due to recovering economy and demand of the office space.

In the second half of the 2012 Invalda group company started a development of the complex of residential apartments and commercial premises Danes Uzutekis in the old town of Klaipeda as well as the construction of the new residential apartment house Kopu Vetrunges in Kursiu Nerija.

Real estate value, owned by Invalda AB stood at 243.8 million litas at the beginning of 2013.



Table 14.3.4. Results of the real estate sector

Million litas	2010	2011	2012
Value of the real estate:	247.8	255.4	243.8
Commercial real estate	175.8	155.6	148.2
Real estate for development	50.7	57.1	36.8
Residential real estate	5.5	7.9	17.0
Agricultural land	15,8	34.8	41.8
Shareholders' equity (inc. loans from Invalda AB)	116.7	131.9	154.6
Loans from credit institutions	142.5	121.8	101
Rental income	18.4	16.7	17.9
From this owned by clients	5.2	5.0	5.3
Change of the real estate value	1.2	(15.6)	(8.7)
Companies' sales result, allowance and other non-monetary items	4.2	1.5	0.1
Result of the real estate sector	2.9	(17.9)	(11.0)

14.3.5. Number of employees

Number of employees	2010	2011	2012
-	51	67	89

## Facility management sector

Building maintenance sector companies are providing facility management, engineering systems oversight, audit and incidents management, indoor air quality testing, multi-apartment house management, installation, repair, cleaning and other services.

Building maintenance sector companies focused on the development and quality improvement of their services in 2012. Due to larger operating costs the results were poor, but in the long period the group competitive advantages should strengthen and this will create the conditions for faster growth.

During the past year the department providing cleaning and landscaping services started its activities, a team was formed, the first contracts were signed and became active.

A tender for the maintenance of apartment houses in Silale city and Kvedarna town was won.

A tender for the maintenance of apartment houses in Alytus district was won. The service will be launched in 2013.

A department was opened in Siauliai and started its operations.

During the year 2012, over 60 new contracts to provide services were signed.

### Improvement of Service Quality

- Organisational structure of the facility management sector was reorganized
- Business processes were reengineered with the focus on customer satisfaction and quality of services.
- The quality management systems were recertified.
- The new business management system was started to be implemented in all companies.

The new IT solutions which enable quick and precise messages reception were implemented.



Table 14.3.6. Results of the facility management sector

Million litas	2010 <sup>9</sup>	2011	2012
Sales	8.2	10.7	13.1
EBITDA	0.6	0.9	0.4
Net profit	0.4	1.0	(0.3)

### 14.3.7. Number of employees

Number of employees	2010	2011	2012
-	114	167	231

<sup>9</sup> Priemiestis UAB and Jurita UAB results were not consolidated during 2010.



**Agricultural sector**

Since December, 2011, Invalda AB owns 36.9 percent of Litagra UAB shares; Litagra UAB is one of the largest groups of agriculture companies in the Baltic countries.

The companies of Litagra group are engaged in the primary crop and livestock (milk) production, grain processing and agricultural services. Group companies trade in plant protection products, fertilizers, seeds, compound feed, feed supplements, raw materials for feed production, wheat and rye flour, pet food, fish products for domestication, veterinary products. Moreover, the companies buy grain; provide services of drying, cleaning, loading and storage of grain and other raw material. Litagra group companies provide agricultural services in Lithuania, Latvia and Estonia.

The largest companies in Litagra UAB group are the following: Litagros prekyba UAB (with a branch Litagra Latvija), Litagros grūdai UAB, Litagra OÜ in Estonia, Joniskio grūdai AB, Taurages grūdai AB, Marijampoles grūdai AB, Kedainiu grūdai AB, Aristava in the Kedainiai district, Berzu agricultural company in the Kedainiai district, agricultural company Bausai, agricultural company of the Kalpoku land, agricultural company of the Sesupes land, Slapaberzes agricultural company, Ranktineliu agricultural company and others.

In 2012, compared with the same period in 2011, an income grew by 34.9 percent, to 429.2 million litas; earnings before interest, taxes, depreciation and amortization (EBITDA) – grew by 85.4 percent to 36.9 million litas, net profit according to business accounting standards amounted to 19.9 million litas changed the net profit of 0.5 million litas.

Excellent grain harvest in Lithuania allowed improving the results of the marketing department as well as elevator. The higher harvest and profit fixed and in the agricultural companies.



14.3.8. Results of the Litagra UAB group

Million litas	2011	2012
Sales	318.1	429.2
EBITDA	19.9	36.9
Net profit	0.5	21.5

14.3.9. Number of employees

Average of the number of employees	2011	2012
-	785	750

**IT sector**

BAIP group is one of the most experienced IT companies in Lithuania specialized in the governmental organizations and business critical IT infrastructure.

BAIP group gained legal IT consulting expertise, and started to provide critical information systems development, architecture and applications services after the acquisition of Norwegian company Norway Registers Development AS (NRD) at the end of 2011.

In 2012, one of the main goals of BAIP group was to expand the business geography of owned companies group through the NRD expertise. Thus BAIP with NRD was involved in projects in Uganda, Tanzania, Liberia, Guatemala, Kenya and Vietnam.

NRD AS, partly financed by the Norwegian Agency for Development Cooperation (NORAD), has finished a mission in Tanzania. The purpose of the visit was to expand the operations in Tanzania / EAC through partnerships and to establish a Tanzanian Entity to deliver professional quality services in the areas of cyber-security, defence implementation, business continuity planning, IT security controls implementation and auditing. NRD AS (and its sister company BAIP UAB) and ISACA Tanzania Chapter have signed a Memorandum of Understanding (MoU) on cooperation in the development and implementation of consultative Tanzanian National Cyber security framework.







BAIP UAB finished implementation of a new tool - IBM Tivoli Service Request Manager. The company implemented IT services management standard; ISO20000 certificate was issued to the company as a confirmation of it. This achievement will allow clients to perform IT operations via single service tool executing them more rapidly and efficiently.

Printing and copying service CopyPrint concept is updated: it is proposed to integrate digital documents, electronic signature and a new concept scanning and storage of documents. The tender of Vilnius municipality for printing and copying services was won. The municipality will replace all copying and printing equipment with a new ones as a result of introduction of employee identification card system („Follow me“).

In 2012 BAIP actively developed cyber security initiatives getting in touch with new partners (Balabit, Qualys, AlienWorld, Thycotic, FireEye and so on) and establishing a new cyber security division. A successful event presenting solutions of cyber security was organized.

In order to satisfy the needs of customers, a partnership agreement was signed with acknowledged security solutions company Lumension®, the products of which have been successfully deployed in medicine, education, finance, social security and public sectors. BAIP has adapted Lumension® software for the Lithuanian legal environment in consideration of the requirements imposed by State Data Protection Inspectorate, Ministry of Interior of the Republic of Lithuania, LT ISO/IEC 27001 standard, COBIT 5 and other references as the most efficient means to ensure information security.

A special attention was paid to forensic research and for the elimination of aftermaths resulting from the attack and initiation of defensive actions by the BAIP UAB cyber defense group. For this purpose AccessData, Logicube, Paterva Maltego and Qosmio solutions was used. The said solutions were presented in two successfully organized events that attracted representatives of many major state and commercial institutions.

An agreement on supply of the Dell End-to-End Enterprise and Client Solutions to all European offices was signed with the company Western Union, the world's largest money transfer company was signed.

Together with joint partners BAIP finished implementing a year and a half long Total Quality Management System Development in the Health Insurance Funds of Lithuania project. BAIP evaluated risks associated with the continuity of the Health Insurance Funds' activities and information security, documented the processes and methods and organised the certification of the Health Insurance Funds' information security management system to the ISO/IEC 27001:2005 standard, as well as certification of the IT services management system to the ISO 20000/IEC 20000-1:2011 standard.

An agreement with State Food and Veterinary Service on information systems development and maintenance services was signed by NRD UAB. A project on creation of interaction of Lithuanian register of wills with network of registers of wills in Europe was implemented in the Central Mortgage Office of Lithuania. An agreement on maintenance of Oracle software-based information system for 1 year term was signed with the National Paying Agency. An agreement on consulting project regarding civil registration and demographic information in Central Bureau of Statistics of Zanzibar was successfully completed. In August of 2012 NRD UAB and Rwanda development board has signed a new consultancy services to develop the electronic mortgage registration system project implementation contract.

A functionality of the information system for business registration in Vietnam was extended by additional subsystems: distribution of information product, electronic payment, electronic signature and other.

At the end of September, 2012 Norway Registers Development and the joint venture partners NRD UAB and Alna Software UAB signed a one-year one million dollar contract for the design, develop and implement tax e-filing system in four Eastern Caribbean states.





Table 11.1.5. Results of IT sector<sup>10</sup>

Million litas	2010	2011	2012
Sales	27.7	34.5	40.8
EBITDA	2.3	3.2	2.7
Net profit before investment amortization <sup>11</sup> and cost of management options	0.8	1.1	(0.1)
Net profit	(0.6)	(0.7)	(1.1)

More information about services and activity is provided on the web page [www.baip.lt](http://www.baip.lt).

## 14.3.9. Number of employees

Number of employees	2010	2011	2012
-	67	121	131

## Other companies

Kelio Zenklai UAB increased sales 6.2 percent up to 10.3 million litas, net profit was 7 thousand litas during 2012 (in 2011 sales were 9.7 million litas and net profit was 0.4 million litas).



Company Lauko Gelininkystes Bandymu Stotis UAB sales were 1.4 million litas (in 2011, 1.4 million litas), net profit of 78 thousand litas was earned (in 2011 3 thousand litas).



## 15. Issuer's and its group companies' performance results

Table 15.1. Income, 2010–2012, thousand litas

	Company's			Group's		
	2010	2011	2012	2010	2011	2012
<b>Sales income</b>	-	-	-	<b>268,027</b>	<b>317,367</b>	<b>326,324</b>
- furniture manufacturing	-	-	-	197,214	238,368	230,142
- real estate	-	-	-	34,412	26,683	33,369
- facilities management	-	-	-	8,171	10,710	13,134
- information technology	-	-	-	27,685	34,530	40,769
- other companies	-	-	-	7,594	11,108	11,675
- elimination	-	-	-	(5,049)	(4,032)	(2,765)
<b>Gain (loss) from investments</b>	<b>(14,676)</b>	<b>280,487</b>	<b>(216)</b>	<b>10,864</b>	<b>(83,876)</b>	<b>4,849</b>
<b>Other income</b>	<b>8,397</b>	<b>24,220</b>	<b>40,795</b>	<b>4,486</b>	<b>10,110</b>	<b>4,537</b>
- interest income	8,030	12,883	12,025	1,822	6,749	3,656
- dividend income	300	11,314	28,758	-	-	18
- other income	67	23	12	2,664	3,361	863
<b>Valuation gain (loss) from investment property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,236</b>	<b>(14,727)</b>	<b>(8,709)</b>

<sup>10</sup> Norway Registers Development AS (NRD) results are consolidated from December 2011.

<sup>11</sup> Amortization of contract assets formed during UAB BAIP acquisition.

Table 15.2. Main items of financial statements, thousand litas

	Company's			Group's		
	2010	2011	2012	2010	2011	2012
Non current assets	205,908	126,423	201,024	426,760	379,679	363,734
Current assets	76,102	268,796	171,169	98,428	265,046	226,175
Assets classified as held for sale	25,004	3,745	-	72,075	1,708	-
Equity	85,865	360,735	360,561	200,051	415,361	416,196
Equity attributable to equity holders of the parent Company	85,865	360,735	360,561	175,132	386,210	392,955
Minority interest	-	-	-	24,919	29,151	23,241
Non-current liabilities	126,790	-	-	176,462	139,071	119,655
Current liabilities	94,359	38,229	11,632	220,750	92,001	54,058
Result before taxes	(11,661)	259,267	22,182	27,012	(95,187)	35,168
Net result	(10,471)	274,870	20,947	52,464	216,543	31,984
<b>Net result attributable to holders of the parent Company</b>	-	-	-	<b>42,450</b>	<b>209,046</b>	<b>24,655</b>

Table 15.3. Equity and liabilities

Invalda AB, million litas	2010	2011	2012
<b>Equity</b>	85.9	360.7	360.6
Liabilities to financial institutions	138.7	-	-
From this long term	94.3	-	-
Liabilities to group companies	46.6	0.4	9.1
Bonds	32.4	34.1	-
Other liabilities	3.0	3.8	2.5
Total liabilities	221.1	38.3	11.6
<b>Total Equity and Liabilities</b>	<b>307.0</b>	<b>399.0</b>	<b>372.2</b>

Table 15.4. Financial ratios

	Company's			Group's		
	2010	2011	2012	2010	2011	2012
Return on Equity (ROE), %	-15.84	123.09	5.81	33.45	74.48	6.33
Debt ratio	0.72	0.10	0.03	0.67	0.36	0.29
Debt – Equity ratio	2.58	0.11	0.03	1.99	0.56	0.42
Liquidity ratio	1.07	7.13	14.72	0.77	2.90	4.18
Earning per share (EPS), litas	-0.21	5.32	0.40	0.84	4.05	0.47
Price Earning ratio (P/E)	Negative	1.26	17.06	8.22	1.66	14.49

Invalda AB is an investment company which main profit comes from the sale of businesses. Due to this reason, not all Company performance indicators are suitable for Invalda AB evaluation. Furthermore, some of investments are recorded at acquisition price in financial reports which is signally different from the market price. That is why some relative valuation measures can not show the real situation of the Company.

## 16. Issuer's and its group companies' non – financial results, information related to social responsibility, environment and employees

### 16.1. Information related to social responsibility of the Issuer and its group companies.

While developing its business and business relations Invalda AB invariably follows the principles of social responsibility and ethics that are established in the Code of Social Responsibility and the Code of Ethics approved by the Company. Further to the fundamental principles of respect to human rights, employee rights, protection of environment and combating of corruption companies of Invalda AB group steadily seek enhancing public and social responsibility. With a view to acquiring an efficient vehicle to monitor relations between society and business community, and implement social initiative promotion programmes in 2007 Invalda AB established a public enterprise Iniciatyvos Fondas. The activities of Iniciatyvos Fondas involve the organisation of different programmes designed to enhance knowledge and awareness. The priorities defined for the activities of the foundation may differ from year to year while maintaining its key principle - rather than supporting individual projects, initiate and implement larger-scale integrated projects designed to encourage individual target groups to take independent initiatives and actively contribute to the growth of the development of a responsible and sustainable society. The foundation Iniciatyvos Fondas seeks to implement different social initiatives promoting positive changes in the society.

The project Judeti sveika 2012 (Move is healthy 2012) was organized by the fond Iniciatyvos Fondas . The main purpose of the Project was to draw an attention of society, especially of young people, to physical activity as to one of the sources of well being.. Students from basic and secondary schools well as gymnasiums were invited to participate in the Project. The participants walked almost 39 thousand kilometers within two weeks. They spent 8 thousand 447 hours for walking and they made 58 thousand steps in total. An average length of student's step was about 0.67 meters.

Starting from December of 2010 group's company Vilniaus Baldai AB made a decision to participate in Worldwide agreement of United Nations for responsible business and supports 10 principals of the human rights, rights of employees, environment protection and the fight against corruption.

Inreal group employees along with colleagues from other companies of Invalda AB real estate sector and their families participated in the campaign DAROM ! on April 20, 2012. The territories of Uzupio Kudros park in Vilnius as well as surroundings of Public Library in Kaunas was cleaned up. The stretch of coastline of Vilnele in New Vilnia was cleaned up by the employees of Priemiestis UAB, like every year in the spring.

BAIP group UAB and BAIP UAB are actively participating in the development of national cyber security strategy. Companies make recommendations on key cyber-security strategy guidelines, application of technological security solutions, an improvement of current cyber security by better existing national IT infrastructure and private capital utilization. Companies cooperate with the University of Vilnius in advancing Grid and Cloud Computing technologies in scientific research and promoting favourable and secure IT infrastructure. Companies have established relationships with the governments of Georgia and Belarus in order to consult them on the use of Lithuanian best practices in applying ITC technologies to promote computerization of educational system and raise computer literacy of both lecturers and students.

### 16.2. Employees

Invalda AB strives to be a company where the rights, needs, and contribution to the Company's activities of each employee are appreciated. Employees are one of the Company's values; therefore a lot of attention is paid to the people working in the Company, their qualification and motivation. In building up our team our target qualities are their creativity, professionalism, positive thinking, a desire to work hard and efficiently, and to strive for a continuous professional improvement.

The collective agreement is not signed in the Company. There are no special employees' rights and duties described in the employment agreements.

Average number of employees in 2012 was 15 (in 2011 it was 13). All Company's employees have higher university education.

Table 16.2.1. Number of employees and average monthly salary

	Measuring units	2010	2011	2012
Total amount of employees as of the end of the period	person	12	13	15
- managers	person	4	4	5
- specialists	person	8	9	10
Average monthly salary (calculated for)	litas	8.961	10.077	16.444
- managers	litas	16.677	17.004	29.310
- specialists	litas	5.482	6.619	10.190

The number of employees of Invalda AB and its subsidiaries on 31.12.2012 amounted to 1.051 (on 31.12.2011 equaled to 994).

**16.2.1. Information about agreements of the Company and the members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the Company.**

There are no agreements of the Company and the members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the Company.

**16.3. Environment matters**

Invalda AB group pays attention towards environmental matters. Great attempts are made to make the production processes eco-friendly in manufacturing companies and to monitor the effect of the raw materials on the environment.

There is an environment protection management system introduced in the Vilniaus Baldai AB, corresponding to the ISO 14001 requirements. The core of this system is the management and permanent improvement of the environment protection. The company works purposefully seeking to make the production ecological, to control the impact that the materials and raw materials have on the environment, to ensure that the suppliers of the products and services correspond to the environment protection management requirements. Company was granted FSC production line certificate. The annual audit of quality management system and environmental management system according EN ISO 9001 and EN ISO 14001 was performed in June 2012. There aren't identified any non - conformances. In 2012 Vilniaus Baldai AB paid 15 thousand litas of the environment pollution taxes, as well as 218 thousand litas for the waste utilisation services. There were no manufacturing restrictions because of the environment pollution. Vilniaus Baldai AB pays a lot of attention on reduction of energy costs. During 2012 the Company consumed 16,178 thousand kWh of electricity (2011 – 15,901 thousand kWh, 2010 – 14,501 thousand kWh). The electricity consumption for production of 1 litas amounted to 0.069 kWh (2011 – 0.07 kWh, 2010 – 0.075 kWh).

On November 20, 2012 Inreal Pastatu Prieziura UAB became a partner of the EMP Recycling UAB and started participation in campaign of e-waste sorting. According to the agreement the small electronic waste containers of EMP will be placed next to the business center IBC, Nida and Evita complexes administered by Inreal Pastatu Prieziura UAB. Inreal Pastatu Prieziura UAB will also consult on the placement of the container next to other business centers and care facilities.

Invalda AB group companies Inreal UAB, Invalda Nekilnojamojo Turto Valdymas UAB, Inreal Pastatu Prieziura UAB, Priemiestis UAB signed a Green Protocol<sup>12</sup> agreement. This agreement declared their desire to save electricity.

**17. Risk management**

**17.1. A description of the principal risks and uncertainties**

**Business risks**

Activities of Invalda AB are influenced by overall economic situation of countries of activity.

Invalda AB is also dependent on its main managers – their loss could have a negative effect on activities of the Company and some of business opportunities could be lost.

Our returns may be substantially lower than the average returns historically realized by the private equity industry as a whole because historical results do not show the future performance.

Economic recessions or downturns could impair our portfolio companies and harm our operating results. We may not realize gains from our equity investments. The equity interests we invest in may not appreciate in value and, in fact, may decline in value.

Our ability to use our capital loss carry forwards may be subject to limitations. Changes in the law or regulations that govern us could have a material impact on our business. Change in taxes and change in regulation of sectors, which are dependent on governmental funding or are regulated by the government, could have negative consequences on our business.

Company's and group's results may fluctuate and may not be indicative of future performance.

The trading price of our stock may fluctuate substantially. The price of the stock may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond our control.

<sup>12</sup> Green Protocol is an initiative created by electricity distribution network operator in Lithuania (LESTO). Any kind of organizations that signs this agreement, confirms that they agree with LESTO ideas how to save electricity and to reduce CO2 which creates greenhouse effect. Companies motivate their employees, colleagues and relatives to promote the idea to create electricity saving society.

We are subject to market discount risk. Shares of Invalda AB can be traded below NAV.

We have not approved dividend payment policy and established a minimum dividend payment level; therefore we cannot assure you of our ability to make distributions to our shareholders in the future.

Changes in interest rates may affect our cost of capital and net operating income and our ability to obtain additional financing.

#### **Investment risk**

Our investments in portfolio companies may be illiquid; there is a risk that we may not exit out investment when it is planned. We may exit our investments when the portfolio company has a liquidity event, such as a sale, recapitalisation or listing in the stock exchange.

Our investments in small and middle-market privately-held companies are extremely risky and in the worst case the Company could lose its entire investment.

When we are a minority equity investor in a portfolio company, we may not be in a position to control the entity, and management of the company may make decisions that could decrease the value of our portfolio holdings.

### **17.2. Information about the extent of risk and its management in the Company**

Information on the extent of risks and management of them is disclosed in the section 27 of explanatory notes of consolidated and Company's financial statements.

### **17.3. The main indications about internal control and risk management systems related to the preparation of consolidated financial statements**

The Audit Committee supervises preparation of the consolidated financial statements, systems of internal control and financial risk management and how the Company follows legal acts that regulate preparation of consolidated financial statements.

Chief financial officer of the Company is responsible for the preparation supervision and the final revision of the consolidated financial statements. Moreover, he constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses Company's and group's significant deals, ensures collecting information from the group's companies and timely and fair preparation of this information for the financial statements. CFO of the Company periodically informs the Board about the preparation process of financial statements.

### **18. Information about activities of the Issuer and companies comprising the Issuer's group in the field of Research and Development**

Companies of Invalda AB group did not perform various researches or implement innovations.

### **19. Significant events since the end of the last financial year**

- **On February 13, 2013 the Board of Invalda AB finished the drawing – up of the Company's split – off terms and initiated a share buy – back program for acquisition of up to 10 percent of treasury shares.**

According to the publicly announced split – off terms, a part of Invalda AB will be split – off and on the basis of this part a new public joint – stock company Invalda Privatus Kapitalas AB will be formed. In the split – off, 45.45 percent of the total assets of the Company (a balance sheet value of the Company's assets at the end of 2012 totaled to 372.2 million litas) as well as 45.45 percent of the Company's equity capital and liabilities will be allocated to the newly established entity. The shares in Invalda Privatus Kapitalas AB are not going to be listed on NASDAQ OMX Vilnius Stock Exchange.

The new name of the Company after the split – off will be Invalda LT AB.

In the split – off, the Company's shares in Cedus Invest UAB (which holds 36.9 percent of shares in Litagra UAB) and Vilniaus Baldai AB will be allocated to the companies continuing after the split - off proportionally, i.e. 39.35 percent of shares in Vilniaus Baldai AB and 54.55 percent in Cedus Invest UAB will be allocated to Invalda LT AB; 32.79 percent of shares in Vilniaus Baldai AB and 45.45 percent of shares in Cedus Invest UAB will be allocated to the newly established company Invalda Privatus Kapitalas AB.

According to the split – off terms the following assets of a balance value of 85.651 million litas will be allocated to Invalda LT AB after the split - off: commercial real estate objects (that currently are under possession of Invalda Nekilnojamojo Turto Fondas UAB) as well as IT and facility management companies and Kelio Zenklai UAB. Furthermore, the assets of a balance sheet value of 66.281 million litas will be allocated to Invalda Privatus Kapitalas AB, in particular real estate objects that are currently under development as well as service companies acting under the „Inreal“ brand.

Other financial assets, including cash and smaller investments will be split – off allocating 71.292 million litas to Invalda LT AB and 64.044 million litas to Invalda Privatus Kapitalas AB.

After the split – off, total balance value of the assets of Invalda LT AB (as of September 30, 2012) will amount to 205.355 million litas; total balance value of the assets of Invalda Privatus Kapitalas AB will amount to 171.083 million litas.

The authorized capital of Invalda LT AB after the split – off (on the condition that the Company does not acquire treasury shares) will amount to 28.259 million litas and the authorized capital of Invalda Privatus Kapitalas AB will total to 23.543 million litas. If before the completion of the split – off the Company acquires treasury shares, the above mentioned authorized capitals will be reduced accordingly.

At the completion of the split – off, the amount of shares held by shareholders of Invalda AB will be reduced by 45.45 percent and the same amount of shares in the new company (not listed on NASDAQ OMX Vilnius Stock Exchange) will be issued to those shareholders. For example, the shareholder who held 10.000 shares in Invalda AB, after the split – off would receive 5.455 shares in Invalda LT AB and 4.545 shares in Invalda Privatus Kapitalas AB.

The shareholders holding the shares the nominal value less than 1/10 of the authorized capital of the Company, will have a right within 45 days after approval of the split – off terms by the general meeting of shareholders to request that their shares would be redeemed by the Company. The price as well as the procedure of redemption will be approved by the Board; however the price may not be lower than the average price of the Company's shares on NASDAQ OMX Vilnius Stock Exchange within 6 last months.

The Board of Invalda AB initiated a share buy – back program for acquisition of up to 10 percent of treasury shares for the price of 8.287 litas (EUR 2.4). The total amount of 42.9 million litas has been allocated to this share buy – back program. According to the decision of the Board the share buy back program will last two weeks starting from February 19.

After the split – off, Darius Sulnis, Alvydas Banyas and Irena Ona Miseikiene as well as the persons related to them will be the largest shareholders in Invalda LT; and Vytautas Bucas, Algirdas Bucas and Irena Ona Miseikiene will be the largest shareholders in Invalda Privatus Kapitalas AB.

- **On March 8, 2013, after the settlement of the shares acquired by Invalda AB during the share buy – back program within the time period from February 19, 2013 till March 5, 2013, the Company acquired 5,180,214 shares that constitutes 10 percent in the Company's authorized capital.** As own shares of the Company do not have voting rights, the shares of Invalda AB (ISIN LT0000102279) with voting rights totals to 46,621,932.

- **On March 21, 2013 the Board of the Invalda AB approved the procedure, under which the shares of minor shareholders will be redeemed after approval of the split – off terms of the Company.**

The share redemption price will be equal to the weighted average price of transactions with Company's shares on NASDAQ OMX Vilnius stock exchange during the period of six months immediately preceding the General Meeting of Shareholders which has on its agenda the issue of adoption of the decision on the split – off and approval of the split – off terms. The shares will be redeemed within 45 days period after this shareholders meeting.

The redemption price will be set in litas. The calculated weighted average share price will be rounded up to three decimal figures. The exact share redemption price will be set and published on the day of the General Meeting of Shareholders of INVALDA AB, i.e. April 9, 2013, if the Meeting approves the split – off and split – off terms.

Shareholders of INVALDA AB holding the shares the nominal value whereof is less than 10 percent of the authorized capital of the Company, shall have the right to provide share sale orders, except the shareholders whose rights to sell shares to the Company during the split - off are limited according to the split – off terms.

Maximum number of shares to be redeemed is 5,180,214, i.e. 10 percent of the authorized capital of INVALDA AB.

## 20. Information on the related parties' transactions

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests and so on) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between issuer's management's, controlling shareholders' or other related parties' obligations to the issuer and their private interests.

Loan agreements as well as premises rent agreements made a major part of the related parties' transactions of the Company and Group within the reported period. The most significant of them are loan agreements for crediting of activity of the subsidiaries in the real estate sector. Furthermore, in the year 2012 the Group company received income of 1.08 million litas from the real estate transaction, the party to which was the Company's shareholder. The detailed information on the related parties' transactions has been disclosed in the section 29 of the consolidated and Company's financial statements explanatory notes.



**21. Information about significant agreements to which the issuer is a party, which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder**

There are no significant agreements of the Company which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder

**22. Activity plans and forecasts**

According to the publicly announced split – off terms (on February 13, 2013), a part of Invalda AB will be split – off and on the basis of this part a new public joint – stock company Invalda Privatus Kapitalas AB will be formed. In the split – off, 45.45 percent of the total assets of the Company (a balance sheet value of the Company's assets at the end 2012 totaled to 372.2 million litas) as well as 45.45 percent of the Company's equity capital and liabilities will be allocated to the newly established entity. The shares in Invalda Privatus Kapitalas AB are not going to be listed on NASDAQ OMX Vilnius Stock Exchange.

The new name of the Company after the split – off will be Invalda LT AB.

Invalda AB will continue implementing the long term goal to increase shareholders' equity and value of managed assets. Moreover, Invalda AB will seek to ensure profitable work and organic development of its businesses.

Results of Invalda AB depend on sale or acquisition transactions which are not predictable. Due to this reason, the Board decided not to prepare forecasts of the Company's activity.



## V. OTHER INFORMATION

### 22. References to and additional explanations of the data presented in the annual financial statements and consolidated financial statements

All data is presented in consolidated and Company's financial statements explanatory notes.

### 23. Information on audit

The audit of annual financial statements and consolidated financial statement of Invalda AB for 2011 was performed by PricewaterhouseCoopers UAB.

Information about the audit company:

Address of the registered office	J.Jasinskio str. 16B, LT-01112 Vilnius, Lithuania
Enterprise code	111473315
Telephone	+370 5 239 2300
Fax	+370 5 239 2301
E-mail	vilnius@lt.pwc.com
Website	www.pwc.com/lt

The audit company does not provide any other than audit services to the Company. No internal audit is performed in the Company.

### 24. Data on the publicly disclosed information

The information publicly disclosed of Invalda AB during 2012 is presented on the Company's website [www.invalda.lt](http://www.invalda.lt).

Table 24.1. Summary of publicly disclosed information

Date of disclosure	Brief description of disclosed information
13.01.2012	Invalda AB investor's calendar for 2012
28.02.2012	Results of Invalda AB group for 2011
29.03.2012	Regarding the conversion of 32.44 million litas (€ 9.4 million) Invalda AB bonds
02.04.2012	The share capital of Invalda AB increased till 57,557,940 litas (€16,669,931.60), new Articles of Association registered
05.04.2012	Regarding stock issues if Invalda AB
05.04.2012	Notifications of Invalda AB on the disposal and acquisition of voting rights
06.04.2012	Draft resolutions of the General Shareholders Meeting of Invalda AB
06.04.2012	Convocation of Invalda AB Ordinary Shareholders Meeting
06.04.2012	On the registration of the Board member
25.04.2012	Regarding election of Invalda AB Board member
30.04.2012	On acquisition of own shares
30.04.2012	Annual information of Invalda AB for the year 2011
30.04.2012	Resolutions of the General Shareholders Meeting of Invalda AB
02.05.2012	Notification on transaction concluded by manager of the company
02.05.2012	Draft resolutions of the extraordinary General Shareholders Meeting of Invalda AB
02.05.2012	Convocation of the extraordinary Ordinary Shareholders Meeting of Invalda AB
15.05.2012	Updated draft resolutions of the extraordinary General Shareholders Meeting of Invalda AB and General Voting Bulletin
15.05.2012	Invalda AB completed buy-back program

21.05.2012	Notifications of Invalda AB on the disposal and acquisition of voting rights
21.05.2012	Notification on transaction concluded by manager of the company
24.05.2012	Unaudited results of Invalda AB group for the period of 3 months ending March 31, 2012
24.05.2012	Resolutions of the Extraordinary General Shareholders Meeting of Invalda AB
25.05.2012	Notification on transaction concluded by manager of the company
07.08.2012	The new Articles of Association of Invalda AB were registered
27.08.2012	Unaudited results of Invalda AB group for the period of 6 months ending June 30, 2012
31.08.2012	Information about the share capital of Invalda AB
29.10.2012	Draft resolutions of the extraordinary General Shareholders Meeting of Invalda AB
29.10.2012	Convocation of the extraordinary Ordinary Shareholders Meeting of Invalda AB
20.11.2012	Resolutions of the Extraordinary General Shareholders Meeting of Invalda AB
21.11.2012	On the announcement of interim results for 9 months
30.11.2012	Unaudited results of Invalda AB group for the period of 9 months ending September 30, 2012

Table 24.2. Summary of the notifications on transactions in Invalda AB shares concluded by managers of the Company during 2012

Date	Person	Number of securities	Security price	Total value of transaction	Form of transaction	Type of transaction	Placement of transaction
30.04.2012	Darius Sulnis	56,701	0.00 (EUR)	0.00	acquisition	return of loaned securities	XOFF
30.04.2012	Darius Sulnis	246,531	2.22 (EUR)	547,298.82	acquisition	return of loaned securities	XOFF
30.04.2012	Darius Sulnis	903,203	2.42 (EUR)	285,751.26	acquisition	return of loaned securities	XOFF
30.04.2012	Lucrum Investicija UAB	1,527,244	3.00 (EUR)	4,581,732.00	acquisition	purchase - sale	XOFF
30.04.2012	Lucrum Investicija UAB	1,527,244	3.00 (EUR)	4,581,732.00	transfer	purchase - sale	XOFF
30.04.2012	Lucrum Investicija UAB	246,531	0.00	0.00	acquisition	other (undertaking of repurchase agreement)	XOFF
30.04.2012	Lucrum Investicija UAB	903,203	0.00	0.00	acquisition	other (undertaking of repurchase agreement)	XOFF
30.04.2012	Lucrum Investicija UAB	246,531	2.22 (EUR)	547,298.82	transfer	return of loaned securities	XOFF
30.04.2012	Lucrum Investicija UAB	903,203	2.42 (EUR)	285,751.26	transfer	return of loaned securities	XOFF
15.05.2012	Vytautas Bucas	1,387,436	10.358 (LTL)	14,374,062.09	transfer	purchase - sale	AUTO
15.05.2012	Dalius Kaziunas	28,948	10.358 (LTL)	299,843.38	transfer	purchase - sale	AUTO
25.05.2012	Dalius Kaziunas	87,000	3 (EUR)	261,000.00	acquisition	purchase - sale	XOFF
25.05.2012	Darius Sulnis	87,000	3 (EUR)	261,000.00	transfer	purchase - sale	XOFF

#### Explanations:

XOFF – OTC trade.

AUTO – automatched deals on the stock exchange

Managers of the Company and closely related persons:

- Dalius Kaziunas – the president;
- Vytautas Bucas – chairman of the Board;
- Darius Sulnis – member of the Board;
- Lucrum Investicija UAB – legal entity, related to Darius Sulnis (100% of shares, voting rights are transferred).

## APPENDIX 1. INFORMATION ABOUT GROUP COMPANIES, THEIR CONTACT DETAILS

Company	Registration information	Type of activity	Contact details
<b>FURNITURE MANUFACTURING SECTOR</b>			
Vilniaus Baldai AB	Code 121922783 Address Savanoriu ave. 178. Vilnius Legal form – public limited liability company Registration date 09.02.1993	furniture design and manufacturing	Telephone +370 2 52 5700 Fax +370 2 31 1130 E-mail <a href="mailto:info@vilniausbaldai.lt">info@vilniausbaldai.lt</a> <a href="http://www.vilniausbaldai.lt">www.vilniausbaldai.lt</a>
Ari-Lux UAB	Code 120989619 Address Savanoriu ave. 178. Vilnius Legal form – private limited liability company Registration date 28.10.1991	fitting packing	Telephone / Fax +370 2 52 5744
<b>REAL ESTATE SECTOR</b>			
Inreal Valdymas UAB	Code 222894170 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 22.12.1994	real estate management and administration. development of investment projects	Telephone +370 2 73 0944 Fax +370 2 73 3065 E-mail <a href="mailto:info@inreal.lt">info@inreal.lt</a> <a href="http://www.inreal.lt">www.inreal.lt</a>
Inreal UAB	Code 300576166 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 14.06.2006	real estate brokerage and valuation services	Telephone +370 273 0000 Fax +370 273 0858 E-mail <a href="mailto:info@inreal.lt">info@inreal.lt</a> <a href="http://www.inreal.lt">www.inreal.lt</a>
Invaldos Nekilnojamojo Turto Fondas AB	Code 152105644 Registration address A. Juozapaviciaus str. 6/2. Vilnius Residence address - Palangos str. 4. Vilnius Legal form – public limited liability company Registration date 28.01.1997	investments into real estate	Telephone +370 2 79 0601 Fax +370 2 73 3065 E-mail <a href="mailto:intf@intf.lt">intf@intf.lt</a>
INTF Investicija UAB	Code 300643227 Registration address A. Juozapaviciaus str. 6/2. Vilnius Residence address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 02.02.2007	investments into real estate	Telephone +370 2 75 5093 Fax +370 2 73 3065
DOMMO Nerija UAB	Code 300516742 Registration address Smiltynes str. 25. Klaipeda Legal form – private limited liability company Registration date 21.12.2005	investments into real estate	Telephone +370 46 314 313 Fax +370 46 314 316
Ineturas UAB	Code 126075527 Address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 30.10.2002	investments into real estate	Telephone +370 2 73 0944 Fax +370 2 73 3065
Naujoji Svara UAB	Code 125235345 Address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 12.04.2000	investments into real estate	Telephone +370 2 73 0944 Fax +370 2 73 3065

Company	Registration information	Type of activity	Contact details
<b>REAL ESTATE SECTOR</b>			
Traku Kelias UAB	Code 124928371 Registration address A. Juozapaviciaus str. 6 / Slucko str. 2. Vilnius; Residence address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 31.05.1999	investments into real estate	Telephone +370 2 73 0944 Fax +370 2 73 3065
Rieses Investicija UAB	Code 300606428 Registration address A. Juozapaviciaus str. 6 / Slucko str. 2. Vilnius; Residence address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 11.10.2006	investments into real estate	Telephone +370 2 73 4892 Fax +370 2 73 3065
IBC Logistika UAB	Code 300016395 Address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 07.04.2004	investments into real estate	Telephone +370 2 79 0449 Fax +370 2 73 3065
Dizaino institutas UAB	Code 122288385 Registration address A. Juozapaviciaus str. 11. Vilnius Residence address - Palangos str. 4. Vilnius; Legal form – private limited liability company Registration date 29.12.1993	investments into real estate	Telephone +370 2 72 1734 Fax +370 2 72 1893
Designing firm Saistas UAB	Code 133689632 Address A Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 26.05.1993	investments into real estate	Telephone +370 2 73 4892 Fax +370 2 73 3065
Rovelija UAB	Code 302575846 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.12.2010	investments into real estate	Telephone +370 2 63 6129 Fax +370 2 79 0530
Sago UAB	Code 301206878 Registration address Seimyniskiu str. 3. Vilnius; Residence address - Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 31.10.2007	investments into real estate	Telephone +370 2 73 0849 Fax +370 2 73 3065
BNN UAB	Code 126153374 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 17.02.2003	investments into real estate	Telephone +370 2 75 3925 Fax +370 2 73 3065
Perspektyvi Veikla UAB	Code 302607087 Address Kalvariju str. 11-20. Vilnius Legal form – private limited liability company Registration date 25.03.2011	investments into real estate	Telephone +370 2 79 0614 E-mail <a href="mailto:zita.vaitkeviciene@inreal.lt">zita.vaitkeviciene@inreal.lt</a>
Minijos Valda UAB	Code 302663164 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 05. 09.2011	investments into real estate	Telephone +370 68650177 E-mail <a href="mailto:gediminas.rimkevicius@inreal.lt">gediminas.rimkevicius@inreal.lt</a>

Company	Registration information	Type of activity	Contact details
<b>REAL ESTATE SECTOR</b>			
Kopu Vėtrunges UAB	Code 302848241 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 14. 09.2012	investments into real estate	Telephone +370 2 48 2088 E-mail <a href="mailto:agniu.tamosaitis@inreal.lt">agniu.tamosaitis@inreal.lt</a>
Danes Gildija UAB	Code 302775074 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 02. 05.2012	investments into real estate	Telephone +370 68650177 E-mail <a href="mailto:gediminas.rimkevicius@inreal.lt">gediminas.rimkevicius@inreal.lt</a>
Justiniskiu Valda UAB	Code 302705909 Address Justiniskiu str. 62A. Vilnius; Legal form – private limited liability company Registration date 02.01.2012	investments into real estate	Telephone +370 2 48 2088 E-mail <a href="mailto:vytautas.baksinskas@inreal.lt">vytautas.baksinskas@inreal.lt</a>
Justiniskiu Aikstele UAB	Code 302705898 Address Justiniskiu str. 62A. Vilnius Legal form – private limited liability company Registration date 02.01.2012	investments into real estate	Telephone +370 2 48 2088 E-mail <a href="mailto:agniu.tamosaitis@inreal.lt">agniu.tamosaitis@inreal.lt</a>
Elniakampio Namai UAB	Code 300667160 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 04.04.2007	investments into real estate	Telephone +370 2 73 0000 Fax +370 2 73 3065 E-mail <a href="mailto:info@elniakampionamai.lt">info@elniakampionamai.lt</a> <a href="http://www.elniakampionamai.lt">www.elniakampionamai.lt</a>
Inreal GEO UAB	Code 302604810 Registration address Palangos str. 4. Vilnius; Legal form – private limited liability company Registration date 21.03.2011	land plot's geodetic measurement	Telephone +370 37 430 300 Fax +370 37 321 132 E-mail <a href="mailto:kaunas@inreal.lt">kaunas@inreal.lt</a> <a href="http://www.inreal.lt">www.inreal.lt</a>
Ekotra UAB	Code 300040019 Palangos str. 4. Vilnius; Legal form – private limited liability company; Registration date 21.07.2004	investments into agricultural land	Telephone +370 62071080 E-mail <a href="mailto:info@ekotra.lt">info@ekotra.lt</a>
Simtamargis UAB	Code 300593984 Registration address A.Juozapaviciaus str. 6 /Slucko str. 2. Vilnius; Legal form – private limited liability company Registration date 29.08.2006	investments into agricultural land	Telephone +370 37 430 300 Fax +370 37 321 132
Zemvesta UAB	Code 300955547 Address Palangos str.4. Vilnius. Legal form – private limited liability company Registration date 26.07.2007	investments into agricultural land	Telephone +370 2 75 3925 Fax +370 2 73 3065 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Agrobite UAB	Code 302546727 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.09.2010	investments into agricultural land	Telephone +370 2 75 3925 Fax +370 2 73 3065 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Puskaitis UAB	Code 300634388 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 17.01.2007	investments into agricultural land	Telephone +370 62071080 E-mail <a href="mailto:info@ekotra.lt">info@ekotra.lt</a>

Company	Registration information	Type of activity	Contact details
<b>REAL ESTATE SECTOR</b>			
Zemynele UAB	Code 302532930 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 29.07. 2010	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Zemepatis UAB	Code 302681753 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 28.10.2011	investments into agricultural land	Telephone +370 2 75 3925 Fax +370 2 73 3065 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
IZB 1 UAB	Code 300624579 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 13.12.2006	investments into agricultural land	Telephone +370 2 36 1654 Fax +370 2 36 1637 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Laukseja UAB	Code 302777901 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 09.05.2012	investments into agricultural land	Telephone +370 2 36 1654 Fax +370 2 36 1637 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Lauknesys UAB <sup>13</sup>	Code 303004576 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Kvietukas UAB <sup>13</sup>	Code 303004512 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Vasarojus UAB <sup>13</sup>	Code 303004626 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Ziemkentys UAB <sup>13</sup>	Code 303004665 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Zemgale UAB <sup>13</sup>	Code 303004505 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Laukaitis UAB <sup>13</sup>	Code 303004583 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 62071080 E-mail info@ekotra.lt
Kvietnesys UAB <sup>13</sup>	Code 303004633 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 2 36 1654 Fax +370 2 36 1637 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Ziemgula UAB <sup>13</sup>	Code 303004640 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 2 36 1654 Fax +370 2 36 1637 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>

<sup>13</sup> Registration date is February 20, 2013

Company	Registration information	Type of activity	Contact details
<b>REAL ESTATE SECTOR</b>			
Zemeja UAB <sup>13</sup>	Code 303004715 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 20.02.2013	investments into agricultural land	Telephone +370 2 36 1654 Fax +370 2 36 1637 E-mail <a href="mailto:edgaras.statkus@inreal.lt">edgaras.statkus@inreal.lt</a>
Aikstentis UAB	Code 126412617 Registration address Seimyniskiu str. 1A. Vilnius; Residence address Palangos str. 4.Vilnius; Legal form – private limited liability company Registration date 23.12.2003	carries no activity	Telephone +370 2 79 0614 Fax +370 2 73 3065
<b>FACILITY MANAGEMENT SECTOR</b>			
Inreal Pastatu Prieziura UAB	Code 126180446 Residence address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 25.03.2003	facilities management	Telephone +370 2 73 6607 E-mail <a href="mailto:prieziura@inreal.lt">prieziura@inreal.lt</a> <a href="http://www.inreal.lt">www.inreal.lt</a>
IPP Integracijos Projektai UAB	Code 302890482 Residence address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 12.10.2012	facilities management	Telephone +370 2 73 6607 E-mail <a href="mailto:prieziura@inreal.lt">prieziura@inreal.lt</a>
Priemiestis UAB	Code 221487620 Address Skydo str. 30. Vilnius Legal form – private limited liability company Registration date 09.07.1992	facilities management	Telephone +370 2 67 0204 Fax +370 2 67 2941 E-mail <a href="mailto:info@priemiestis.lt">info@priemiestis.lt</a> <a href="http://www.priemiestis.lt">www.priemiestis.lt</a>
Jurita UAB	Code 220152850 Address Justiniskiu str. 62. Vilnius Legal form – private limited liability company Registration date 28.12.1990	facilities management	Telephone +370 2 48 2088 E-mail <a href="mailto:info@jurita.lt">info@jurita.lt</a> <a href="http://www.jurita.lt">www.jurita.lt</a>
CManagement UAB	Code 186139653 Registration address A. Juozapaviciaus str. 6 / Slucko str. 2. Vilnius; Residence address – Seimyniskiu str. 3. Vilnius Legal form – private limited liability company Registration date 17.02.1994	repair activity	Telephone +370 2 13 9074 Fax +370 2 13 9073
Naujosios Vilnios Turgaviete UAB	Code 302650163 Address Skydo str. 30. Vilnius Legal form – private limited liability company Registration date 26.07.2011	markets activities	Telephone +370 2 67 0204 E-mail <a href="mailto:info@priemiestis.lt">info@priemiestis.lt</a>
<b>AGRICULTURE SECTOR</b>			
Litagra UAB	Code 123496364 Address Savanoriu pr. 173. Vilnius; Legal form – private limited liability company Registration date 30.01.1996	consulting and business management activity	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>



Company	Registration information	Type of activity	Contact details
<b>AGRICULTURE SECTOR</b>			
Litagros Prekybos Centras UAB	Code 300994653 Address Savanoriu pr. 173. Vilnius; Legal form – private limited liability company Registration date 09.08. 2007	agricultural services	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros Grudu Centras UAB	Code 300636236 Address Savanoriu pr. 173. Vilnius; Legal form – private limited liability company Registration date 25.01.2007	elevators service; grain processing	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros Zemes Ukio Centras UAB	Code 300655343 Address Stoties str. 6. Marijampole; Legal form – private limited liability company Registration date 02.03. 2007	primary agricultural production manufacture - grain and dairy farming	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros Gyvulininkystes Centras UAB	Code 300994646 Address Savanoriu pr. 173. Vilnius; Legal form – private limited liability company Registration date 09.08.2007	carries no activity	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros Grudai UAB	Code 300004521 Address Savanoriu pr. 173. Vilnius Legal form – private limited liability company Registration date 20.02.2004	buying up grain and rape from producers; sells it to processing plants in the local market and in foreign countries	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:grain@litagra.lt">grain@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros Prekyba UAB	Code 122012020 Address Savanoriu pr. 173. Vilnius Legal form – private limited liability company Registration date 20.01.1993	wholesale and retail trade in plant protection products. fertilizers. seeds. full part feeds	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagros retail UAB	Code 224823510 Address Savanoriu pr. 173. Vilnius Legal form – private limited liability company Registration date 01.03.1999	marketing of veterinary products and feeds	Telephone +370 2 36 1600 Fax +370 2 36 1601 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Litagra SIA (Latvia)	Code 40003656745 Address Jelgavas rajons. Cenu pagasts. Langervaldes iela 2. LV 3042. Latvia Legal form – private limited liability company Registration date 10.12.2003	agricultural services	Telephone +371 63045285 Fax +371 63048283 E-mail <a href="mailto:office@litagra.lv">office@litagra.lv</a> <a href="http://www.litagra.lv">www.litagra.lv</a>
Litagra OÜ (Estonia)	Code 11280089 Address Maakri 44-20 10145 Tallinn. Estonia Legal form – private limited liability company Registration date 15.08.2006	wholesale and retail trade in plant protection products. Fertilizers. seeds. Full part feeds	Telephone + 372 530 65910 E-mail <a href="mailto:office@litagra.ee">office@litagra.ee</a> <a href="http://www.litagra.ee">www.litagra.ee</a>
Litagra AB (Sweden)	Code 556747-2815 Address Ljugar Advokatbyra Box 12174. 102 25 Stokholm. Sweden Legal form – private limited liability company Registration date 20.12.2007	carries no activity	Telephone +370 2 36 1600 E-mail <a href="mailto:office@litagra.lt">office@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>

Company	Registration information	Type of activity	Contact details
<b>AGRICULTURE SECTOR</b>			
Joniskio Grudai AB	Code 157602461 Address Zemaites str. 1. Joniskis Legal form – public limited liability company Registration date 12.04.1994	providing of elevator services: storage. sorting and drying of cereals an rapeseeds; mill production: wheat flour. semolina. germ blakes	Telephone +370 426 69 053 Fax +370 426 69 054 E-mail <a href="mailto:administracija.jg@litagra.lt">administracija.jg@litagra.lt</a>
Taurages Grudai AB	Code 179400793 Address Pramones str. 20. Taurage Legal form – public limited liability company Registration date 27.07.1994	main activity is providing of elevator services: storage. sorting and drying of cereals and rapeseeds	Telephone +370 446 62 780 Fax +370 446 62 785 E-mail <a href="mailto:administracija.tg@litagra.lt">administracija.tg@litagra.lt</a>
Marijampoles Grudai AB	Code 151004592 Address Stoties str. 6. Marijampole Legal form – public limited liability company Registration date 22.11.1990	main activity is providing of elevator services: storage. sorting and drying of cereals and rapeseeds	Telephone +370 343 98 828 Fax +370 343 98 822 E-mail <a href="mailto:administracija.mg@litagra.lt">administracija.mg@litagra.lt</a>
Kedainiu Grudai AB	Code 161354477 Address Pramones str. 8. Kedainiai Legal form – public limited liability company Registration date 19.07.1994	providing of elevator services: storage. sorting and drying of cereals an rapeseeds; production and sales of rye flour. pet foods	Telephone +370 347 67 600 Fax +370 347 67 666 E-mail <a href="mailto:administracija.kg@litagra.lt">administracija.kg@litagra.lt</a> <a href="http://www.kedainiugrudai.lt">www.kedainiugrudai.lt</a>
Aristavos ZUB Kedainiu district	Code 161298135 Address Aristavos village. Vilainiu eldership. Kedainiu district; Legal form – agricultural company Registration date 22.03.1993	crop production (cereals. rapeseed. sugar beet) and milk production	Telephone +370 347 46 692 Fax +370 347 46 666 E-mail <a href="mailto:aristava@litagra.lt">aristava@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Kalpoku ZUB	Code 167936331 Address Kalpoku village. Linkuvos eldership. Pakruojo district; Legal form – agricultural company Registration date 25.05.1995	crop production (cereals. rapeseed. sugar beet). meat and milk production	Telephone +370 421 64 504 Fax +370 421 64 504 E-mail <a href="mailto:kalpokai@litagra.lt">kalpokai@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Sesupes ZUB	Code 165670049 Address Netickampio village. Liudvinavo eldership. Marijampoles district Legal form – agricultural company Registration date 21.07.1992	crop production (cereals. rapeseed. sugar beet). meat and milk production	Telephone +370 343 32 738 Fax +30 93 030 E-mail <a href="mailto:sesupe@litagra.lt">sesupe@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Bausai ZUB Salcininku district	Code 174931263 Address Salcininku village. Salcininku district Legal form – agricultural company Registration date 16.07.1992	crop production (cereals). milk production	Telephone +370 380 51 196 Fax +370 380 51 196 E-mail <a href="mailto:bausai@litagra.lt">bausai@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Slapaberzes ZUB Kedainiu district	Code 161290398 Address Slapaberzes village. Kedainiu district Legal form – agricultural company Registration date 14.01.1993	crop production (cereals. rapeseed. sugar beet)	Telephone +370 347 32 010 Fax +370 347 32 010 E-mail <a href="mailto:slapaberze@litagra.lt">slapaberze@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>

Company	Registration information	Type of activity	Contact details
<b>AGRICULTURE SECTOR</b>			
Ranktineliai ZUB	Code 171331669 Address Pociuneliai. Radviliskio district Legal form – agricultural company Registration date 20.04.1993	crop production (cereals. rapeseed. sugar beet)	Telephone +370 422 63 125 E-mail <a href="mailto:aristava@litagra.lt">aristava@litagra.lt</a> <a href="http://www.litagra.lt">www.litagra.lt</a>
Berzu ZUB Kedainiu district	Code 161266098 Address Berzu village. Kedainiu district Legal form – agricultural company Registration date 16.10.1992	crop production (cereals)	Telephone +370 347 47 571 Fax +370 347 47 571 <a href="http://www.litagra.lt">www.litagra.lt</a>
<b>INFORMATION TECHNOLOGY SECTOR</b>			
BAIP Grupe UAB	Code 300893533 Address Juozapaviciaus str. 6 / Slucko str. 2. Vilnius Legal form – private limited liability company Registration date 27.06.2007	investments into information technology companies	Telephone +370 2 19 0000 Fax +370 219 5900 E-mail <a href="mailto:info@baipgrupe.lt">info@baipgrupe.lt</a> <a href="http://www.baipgrupe.lt">www.baipgrupe.lt</a>
Informatikos Pasaulis UAB	Code 126396718 Address Juozapaviciaus str. 6 / Slucko str. 2. Vilnius Legal form – private limited liability company Registration date 11.12.2003	information technology infrastructure solutions	Telephone +370 2 77 9700 Fax +370 2 77 9725 E-mail <a href="mailto:info@infopasaulis.lt">info@infopasaulis.lt</a> <a href="http://www.infopasaulis.lt">www.infopasaulis.lt</a>
Vitma UAB	Code 121998756 Address Juozapaviciaus str. 6 / Slucko str. 2. Vilnius Legal form – private limited liability company Registration date 25.06.1993	investments into information technology companies	Telephone +370 2 19 0000 Fax +370 2 19 5900
Acena UAB	Code 300935644 Address Juozapaviciaus str. 6 / Slucko str. 2. Vilnius; Legal form – private limited liability company Registration date 20.07.2007	information technology infrastructure development and support	Telephone +370 2 75 9647 Fax +370 2 73 5106 E-mail <a href="mailto:info@acena.lt">info@acena.lt</a> <a href="http://www.acena.lt">www.acena.lt</a>
BAIP UAB	Code 301318539 Address Juozapaviciaus str. 6 / Slucko str. 2. Vilnius Legal form – private limited liability company Registration date 03.12.2007	information technology infrastructure solutions. information technology security consultations. information technology infrastructure support services	Telephone +370 2 19 0000 Fax +370 2 19 5900 E-mail <a href="mailto:info@baip.lt">info@baip.lt</a> <a href="http://www.baip.lt">www.baip.lt</a>
Norway Registers Development AS	Code 985 221 405 Address Billingstadsletta 35 1375 BILLINGSTAD 0220 ASKER Norvegija Legal form – public limited liability company Registration date 23.12.2002	creation of new register reforms in various countries.providing consultancy on the information system design	Telephone + 47 66 98 30 28 E-mail <a href="mailto:nrd@nrd.no">nrd@nrd.no</a>
NRD UAB	Code 111647812 Address Zygimantu str. 11-5. Vilnius Legal form – private limited liability company Registration date 15.10.1998	creation of new register reforms in various countries. providing consultancy on the information system design	Telephone +370 2 31 0731 Fax +370 2 31 0730 E-mail <a href="mailto:info@nrd.lt">info@nrd.lt</a> <a href="http://www.nrd.lt">www.nrd.lt</a>

Company	Registration information	Type of activity	Contact details
<b>OTHER COMPANIES</b>			
Trakcja-Tiltra S.A.	Code 0000084266 Address Zlota str. 59. 00 - 120 Warsaw. Poland Legal form – public limited liability company Registration date 29.01.2002	rail and road infrastructure. bridge construction	Telephone +48 22 628 6263 Fax +48 22 483 3013 E-mail <a href="mailto:sekretariat@trakcja.com">sekretariat@trakcja.com</a> <a href="http://www.trakcjatiltra.com">www.trakcjatiltra.com</a>
Kelio Zenklai UAB	Code 185274242 Address Gelezinkelio str. 28. Pilviskiai. Vilkaviskio r. Legal form – private limited liability company Registration date 06.09.1994	metal and wood processing and wholesale trade	Telephone +370 342 67 756 Fax +370 342 67 644 E-mail <a href="mailto:info@keliozenklai.lt">info@keliozenklai.lt</a> <a href="http://www.keliozenklai.lt">www.keliozenklai.lt</a>
Lauko Gelininkystes Bandymu Stotis UAB	Code 221496060 Address A.Kojelaviciaus str. 1. Vilnius; Legal form – private limited liability company Registration date 23.07.1992	growing and trade of ornamental plants. flowers	Telephone +370 2 67 1718 Fax +370 2 67 7949 E-mail <a href="mailto:inga@augalucentras.lt">inga@augalucentras.lt</a> <a href="http://www.augalucentras.lt">www.augalucentras.lt</a>
Iniciatyvos Fondas Vsi	Code 300657209 Registration address Seimyniskiu str. 3. Vilnius Residence address Seimyniskiu str. 1A. Vilnius Legal form – public institution Registration date 08.03.2007	organising of social initiative programmes	Telephone +370 2 63 6129 Fax +370 2 79 0530 E-mail <a href="mailto:info@iniciatyvosfondas.lt">info@iniciatyvosfondas.lt</a> <a href="http://www.iniciatyvosfondas.lt">www.iniciatyvosfondas.lt</a>
Inreal Pastatu Prieziuros Grupe UAB	Code 301673796 Residence address Seimyniskiu str. 1A. Vilnius; Legal form – private limited liability company Registration date 07.04.2008	investing in building maintenance companies	Telephone +370 2 63 6129 Fax +370 2 79 0530
IPP Integracijos Projektai UAB	Code 302890482 Residence address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 12.10.2012		Telephone +370 2 73 6607 E-mail <a href="mailto:prieziura@inreal.lt">prieziura@inreal.lt</a>
Aktyvo UAB	Code 301206846 Registration address Seimyniskiu str. 3. Vilnius; Residence address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 31.10.2007	bad debt activity	Telephone +370 2 63 6129 Fax +370 2 79 0530
ENTE UAB	Code 301206860 Registration address Seimyniskiu str. 3. Vilnius; Residence address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 31.10.2007	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530
Finansu Rizikos Valdymas UAB	Code 300045450 Residence address Seimyniskiu str. 1A. Vilnius; Legal form – private limited liability company Registration date 04.08.2004	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530

Company	Registration information	Type of activity	Contact details
<b>OTHER COMPANIES</b>			
Invetex AB	Code 133190113 Address Seimyniskiu str. 1A. Vilnius Legal form – public limited liability company Registration date 31.01.1992	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530
Investiciju Tinklas UAB	Code 301206885 Registration address Seimyniskiu str. 3. Vilnius; Residence address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 31.10.2007	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530
FORTINA UAB	Code 301673789 Residence address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 07.04.2008	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530
Cedus Invest UAB	Code 302576631 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 20.12.2010	investment activities	Telephone +370 2 63 6129 Fax +370 2 79 0530
Aktyvus Valdymas UAB	Code 301673764 Registration address Seimyniskiu str. 3. Vilnius; Residence address Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 07.04.2008	investment in real estate companies	Telephone +370 2 63 6129 Fax +370 2 79 0530
Deltuvis <sup>14</sup> UAB	Code 303010376 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 28.02.2013	investment in real estate companies	Telephone +37068756082 Fax +370 2 79 0530
Justum <sup>15</sup> UAB	Code 303010376 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 21.03.2013	investment in real estate companies	Telephone +37061447949 Fax +370 2 79 0530
ZVF Projektai UAB	Code 300137062 Address Smolensko str. 10. Vilnius Legal form – private limited liability company Registration date 16.08.2005	investments into agricultural land	Telephone +370 2 33 5369 Fax +370 2 13 8594 E-mail <a href="mailto:info@zvf.lt">info@zvf.lt</a>
MBGK UAB	Code 300083611 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 27.01.2005	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530

<sup>14</sup> Registration date is February 28, 2013

<sup>15</sup> Registration date is March 21, 2013

Company	Registration information	Type of activity	Contact details
<b>OTHER COMPANIES</b>			
MGK Invest UAB	Code 302531757 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 27.07.2010	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530
RPNG UAB	Code 302575892 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 20.12.2010	carries no activity	Telephone +370263 6129 Fax +370279 0530
Consult Invalda UAB	Code 302575814 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 20.12.2010	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530
Regenus UAB	Code 302575821 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 20.12.2010	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530
Via Solutions UAB	Code 302617188 Address Palangos str. 4. Vilnius Legal form – private limited liability company Registration date 19.04.2011	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530
Invalda LUX S.a.r.l. (Luxembourg)	Code B158274 Address 560A. rue de Neudorf. L-22200 Luxembourg Legal form – ribotos atsakomybes bendrove Registration date 25.01.2011	carries no activity	Telephone +352 26 43661 Fax +352 26 4366300
Cedus UAB	Code 302656796 Address Seimyniskiu str. 1A. Vilnius Legal form – private limited liability company Registration date 18.08.2011	carries no activity	Telephone +370 2 63 6129 Fax +370 2 79 0530

## APPENDIX 2. DISCLOSURE CONCERNING THE COMPLIANCE WITH THE GOVERNANCE CODE

Invalda AB, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 24.5 of the Listing Rules NASDAQ OMX Vilnius, discloses its compliance with the Governance Code, approved by NASDAQ OMX Vilnius for the companies listed on the regulated market, and its specific provisions.

PRINCIPLES/ RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTARY
<b>Principle I: Basic Provisions</b> <b>The overriding objective of a Company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.</b>		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company constantly discloses information about group's activities and objectives in notifications on material event, annual information.
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	The Board's and the President's activities are concentrated on the fulfillment of the Company's strategic objectives taking count of the shareholders' equity increase.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	The Supervisory Board is not formed. Nevertheless, the Board and the President acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders. The Board periodically reviews and assesses Company's activity results. The President may conclude the transactions referred to in subparagraphs 3, 4, 5 and 6, paragraph 4, Article 34 of the Law on Companies of the Republic of Lithuania, provided that there is a decision of the Board to enter into these transactions.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The Company respects all rights and interests of the persons other than the Company's shareholders participating in or connected with the Company's operation.
<b>Principle II: The corporate governance framework</b> <b>The corporate governance framework should ensure the strategic guidance of the Company, the effective oversight of the Company's management bodies, an appropriate balance and distribution of functions between the Company's bodies, protection of the shareholders' interests.</b>		
2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a General Shareholders' Meeting and the Chief Financial Officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the Chief Executive Officer, who, in its turn, facilitate a more efficient and transparent management process.	No	Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. The President of the Company is accountable to the Board.





<p>2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.</p>	<p>Yes</p>	<p>The functions set forth in this recommendation are performed by the collegial management body – the Board.</p>
<p>2.3. When a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the Supervisory Board. In such a case, the Supervisory Board is responsible for the effective monitoring of the functions performed by the company's Chief Financial Officer.</p>	<p>No</p>	<p>Only one collegial body is formed in the Company - the Board. It performs all essential management functions and ensures accountability and control of the President of the Company. The Supervisory Board is not formed in the Company.</p>
<p>2.4. The collegial supervisory body to be elected by the General Shareholders' Meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the Board, Principles III and IV should apply to the Board as long as that does not contradict the essence and purpose of this body.</p>	<p>Yes</p>	<p>The provisions set forth in III and IV principles are applied on the Board's formation and activity as long as that does not contradict with the essence and purpose of this body.</p>
<p>2.5. Company's management and supervisory bodies should comprise such number of Board (executive directors) and Supervisory (non-executive directors) Board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.</p>	<p>Yes</p>	<p>There are 3 independent Board members in the Company who do not have any other mutual interests but only activity within the Board and who act seeking benefit to the Company and its shareholders.</p>
<p>2.6. Non-executive directors or members of the Supervisory Board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the Management Board.</p>	<p>No</p>	<p>The Supervisory Board is not formed in the Company, and there are no non-executive directors either.</p>
<p>2.7. Chairman of the collegial body elected by the General Shareholders' Meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a Supervisory Board but rather the Board, it is recommended that the chairman of the Board and Chief Financial Officer of the company should be a different person. Company's Chief Financial Officer should not be immediately nominated as the chairman of the collegial body elected by the General Shareholders' Meeting. When a company chooses to departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.</p>	<p>Yes</p>	<p>The Chairman of the Board is not and has not been the manager of the Company. His current or past office constitutes has no obstacles to conduct independent and impartial supervision.</p>

**Principle III: The order of the formation of a collegial body to be elected by a General Shareholders' Meeting.**

<b>The order of the formation a collegial body to be elected by a General Shareholders' Meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the Company's operation and its management bodies.</b>		
<p>3.1. The mechanism of the formation of a collegial body to be elected by a General Shareholders' Meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.</p>	Yes	The Board operates impartially, objectively and represents the interests of all shareholders equally.
<p>3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the General Shareholders' Meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.</p>	Yes	<p>According to the Board's procedures and regulations approved by the Board's decision of March 1, 2007 at least 10 days before the General Shareholders' Meeting, where it is planned to elect Board members (member), the information about the candidates to the Board will be fully disclosed to the shareholders with the indication of the candidates' names, surnames, their membership in supervisory and management bodies of other companies, shareholding of other companies exceeding 1/20, and all other circumstances that can affect the independence of the candidate as well as the data on their education, qualifications, professional experience, other important information.</p> <p>The Board members obligate to inform the Chairman of the Board in case of the changes of the data. The information of these changes shall be disclosed to the shareholders in the Company's periodical reports.</p> <p>Information about current members of the Board, their educational background, qualification, professional experience, participation in other companies is disclosed in Company's website.</p>
<p>3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.</p>	Yes	Information about the composition of the Board, members' education, work experience and participation in other companies is disclosed in Company's periodical reports and website.
<p>3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the collegial body shall be determined with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the Audit Committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock exchange listed companies. At least one of the members of the</p>	Yes	The composition of the Board is regularly assessed with consideration to the nature of Company's activity and structure. The Audit Committee members have the required experience. The Remuneration Committee is formed.



<p>Remuneration Committee should have knowledge of and experience in the field of remuneration policy.</p>		
<p>3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.</p>	<p>No</p>	<p>Presently, members of the Board do not perform the assessment of their skills and knowledge.</p>
<p>3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.</p>	<p>No</p>	<p>Independency of the elected Board members is not assessed and the content of independent members' sufficiency isn't set either.</p>
<p>3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependent are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following:</p> <ol style="list-style-type: none"> <li>1) he/she is not an executive director or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) of the company or any associated company and has not been such during the last five years;</li> <li>2) he/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees;</li> <li>3) he/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations);</li> <li>4) he/she is not a controlling shareholder or representative of such shareholder (control</li> </ol>	<p>No</p>	<p>Members of the Board are elected by the General Shareholders' Meeting. They are independent and in their actions seek the benefit to the Company and its shareholders, however fail to meet the recommendation on independency.</p>



<p>as defined in the Council Directive 83/349/EEC Article 1 Part 1);</p> <p>5) he/she does not have and did not have any material business relations with the company or associated companies within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counselling and consulting services), major client or organization receiving significant payments from the company or its group;</p> <p>6) he/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated companies;</p> <p>7) he/she is not an executive director or member of the Board in some other company where executive director of the company or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) is non-executive director or member of the Supervisory Board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;</p> <p>8) he/she has not been in the position of a member of the collegial body for over than 12 years;</p> <p>9) he/she is not a close relative to an executive director or member of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.</p> <p>3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he can not be considered independent due to special personal or company-related circumstances.</p>		
<p>3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the</p>	<p>No</p>	<p>No Board members' independency assessment and announcement practice is applicable in the Company.</p>



<p>company should annually disclose which members of the collegial body it considers to be independent.</p>		
<p>3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.</p>	<p>No</p>	<p>No Board members' independency assessment and announcement practice is applicable in the Company.</p>
<p>3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. The General Shareholders' Meeting should approve the amount of such remuneration.</p>	<p>Not applicable</p>	<p>The Board members are not remunerated for their work and participation in the meeting of the Board from the Company's funds.</p>
<p><b>Principle IV: The duties and liabilities of a collegial body elected by the General Shareholders' Meeting</b>  <b>The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the General Shareholders' Meeting, and the powers granted to the collegial body should ensure effective monitoring of the Company's management bodies and protection of interests of all the Company's shareholders.</b></p>		
<p>4.1. The collegial body elected by the General Shareholders' Meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.</p>	<p>Yes</p>	<p>The Board submits Company's annual financial statement and consolidated annual financial statement, profit distribution drafts to the General Shareholders' Meeting, delivers consolidated annual report, also performs all other functions set forth in the legal acts of the Republic of Lithuania.</p>
<p>4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or Audit Committee and, if necessary, respective company-not-pertaining body (institution).</p>	<p>Yes</p>	<p>According to the information held with the Company, all Board members act in good will with respect to the Company, are guided by the interests of the Company, not by the personal or third parties' interests, and seek to preserve their independency while adopting the decisions.</p>
<p>4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships</p>	<p>Yes</p>	<p>The Board members perform their functions properly: they actively participate in the Board meetings and devote sufficient time for the performance of their duties as Board members. The Board members do not hold directorship in</p>



<p>held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the company, shareholders of the company should be notified.</p>		<p>any other companies.</p>
<p>4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.</p>	<p>Yes</p>	<p>The Board treats all shareholders honestly and impartially. Essential obligations of the Company to the shareholders are set forth in the Shareholders' Policy approved by the Board (which is published in Company's website).</p>
<p>4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.</p>	<p>No</p>	<p>There were no significant transactions between the Company and its shareholders or management bodies. The Board's procedures and regulations establish that if such transactions are concluded, all Board members should be informed thereof. Prior approval of the Board is not required for agreements between the Company and the members of the management bodies</p>
<p>4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees. When using the services of a consultant with a view to obtaining information on market standards for remuneration systems, the remuneration committee should ensure that the consultant concerned does not at the same time advise the human resources department, executive directors or collegial management organs of the company concerned.</p>	<p>Yes</p>	<p>The Board is independent while adopting decisions which are significant for the activity and strategy of the Company.</p>
<p>4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of</p>	<p>No</p>	<p>Due to simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.</p>





<p>occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of the company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should establish Nomination, Remuneration, and Audit Committees. Companies should ensure that the functions attributable to the Nomination, Remuneration, and Audit Committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>		
<p>4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should exercise independent judgment and integrity when exercising its functions as well as present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.</p>		
<p>4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the Company chooses not to set up a Supervisory Board, Remuneration and Audit Committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee</p>		





<p>membership is refreshed and that undue reliance is not placed on particular individuals.</p>		
<p>4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit Committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.</p>		
<p>4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.</p>		
<p>4.12. Nomination Committee.  4.12.1. Key functions of the Nomination Committee should be the following:  1) identify and recommend, for the approval of the collegial body, candidates to fill Board vacancies. The Nomination Committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination Committee can also consider candidates to members of the collegial body delegated by the shareholders of the company;  2) assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes;  3) assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body;  4) properly consider issues related to succession planning;  5) review the policy of the management bodies</p>		



<p>for selection and appointment of senior management.</p> <p>4.12.2. Nomination Committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the Board (if a collegial body elected by the General Shareholders' Meeting is the Supervisory Board) and senior management, Chief Financial Officer of the company should be consulted by, and entitled to submit proposals to the Nomination Committee.</p>		
<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of the Remuneration Committee should be the following:</p> <p>1) make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body;</p> <p>2) make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the Committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies;</p> <p>3) ensure that remuneration of individual executive directors or members of management body is proportionate to the remuneration of other executive directors or members of management body and other staff members of the company;</p> <p>4) periodically review the remuneration policy for executive directors or members of management body, including the policy regarding share-based remuneration, and its implementation;</p> <p>5) make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies;</p> <p>6) assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of</p>		



<p>directors);</p> <p>7) make general recommendations to the executive directors and members of the management bodies on the level and structure of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies.</p> <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the Committee should:</p> <p>1) consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body;</p> <p>2) examine the related information that is given in the company's annual report and documents intended for the use during the General Shareholders' Meeting;</p> <p>3) make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has.</p> <p>4.13.3. Upon resolution of the issues attributable to the competence of the Remuneration Committee, the Committee should at least address the chairman of the collegial body and/or Chief Financial Officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.</p> <p>4.13.4. The Remuneration Committee should report on the exercise of its functions to the shareholders and be present at the Annual General Shareholders' Meeting for this purpose.</p>		
<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the Audit Committee should be the following:</p> <p>1) observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group);</p> <p>2) at least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided;</p> <p>3) ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by</p>	<p>Yes</p>	<p>The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Audit Committee should be the following:</p> <ul style="list-style-type: none"> <li>- provide recommendations with selection, appointment, reappointment and removal of an external Audit Company as well as the terms and conditions of engagement with the Audit Company;</li> <li>- monitor the process of external audit;</li> <li>- monitor how the external auditor and Audit Company follow the principles of independence and objectivity;</li> <li>- observe the process of preparation of financial reports of the Company;</li> <li>- monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function.</li> </ul> <p>In conducting of the mentioned above functions, the Audit committee supervises the process of</p>



<p>monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually;</p> <p>4) make recommendations to the collegial body related with selection, appointment, reappointment and removal of the external auditor (to be done by the General Shareholders' Meeting) and with the terms and conditions of his engagement. The Committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations;</p> <p>5) monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the Committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the May 16, 2002 Commission Recommendation 2002/590/EC, the Committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the Committee, and (c) permissible without referral to the Committee;</p> <p>6) review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter.</p> <p>4.14.2. All members of the Committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the Audit Committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations.</p> <p>4.14.3. The Audit Committee should decide whether participation of the chairman of the collegial body, Chief Financial Officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the Committee is required (if required, when). The Committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.</p> <p>4.14.4. Internal and external auditors should be</p>	<p>preparation of annual accounts and gives recommendations to the Board on provision of the annual accounts for the approval of the shareholders.</p> <p>Furthermore, the Audit committee analyzes the independence and other criterias of the potential auditors and gives the necessary conclusions to the management.</p> <p>Each year the Audit committee prepares activity report on the main conclusions regarding Company's activity.</p>
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<p>secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the Audit Committee should act as the principal contact person for the internal and external auditors.</p> <p>4.14.5. The Audit Committee should be informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The Audit Committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The Committee should be timely furnished information on all issues arising from the audit.</p> <p>4.14.6. The Audit Committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action.</p> <p>4.14.7. The Audit Committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.</p>		
<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and Committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.</p>	<p>Yes</p>	<p>Once a year the Board conducts its performance evaluation.</p> <p>During the year 2012 the Board analyzed available information, discussed and adopted decisions concerning essential matters of Invalda AB and its group. The structure of the Board did not change within the last year, but from the beginning of the year the former member of the Board was elected to the position of the head of the company; consequently, the composition of the of the Board has changed. No essential changes in the activity of the Board did not take place in 2012.</p>
<p><b>Principle V: The working procedure of the Company's collegial bodies.</b></p> <p><b>The working procedure of supervisory and management bodies established in the Company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the Company's bodies.</b></p>		
<p>5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The</p>	<p>Yes</p>	<p>The activity of the Board is chaired by the chairman who is also responsible for convocation of the meetings as well as preparation of the agenda. Frequency of the meetings and questions of the agenda depend on the particular events or projects or they are related with ordinary functions of the Board prescribed by legal acts.</p>



<p>chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.</p>		
<p>5.2. It is recommended that meetings of the company's collegial bodies should be carried out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's Supervisory Board should be convened at least once in a quarter, and the company's Board should meet at least once a month<sup>16</sup>.</p>	<p>Yes</p>	<p>According to the Board's procedures and regulations, the Board meetings are held at least once per quarter.</p>
<p>5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.</p>	<p>Yes</p>	<p>The Board meetings are being convened by the Chairman. The Chairman of the Board informs members about the meeting at least 5 days prior to the meeting. Additional issues may be including into the agenda not later than 3 days prior to the meeting.</p>
<p>5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-ordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's Board should be free to attend meetings of the company's Supervisory Board, especially where issues concerning removal of the Board members, their liability or remuneration are discussed.</p>	<p>No</p>	<p>The Company may not implement this recommendation since only the Board is formed.</p>
<p><b>Principle VI: The equitable treatment of shareholders and shareholder rights.</b>  <b>The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.</b></p>		
<p>6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.</p>	<p>Yes</p>	<p>Shares which compose the authorised capital of the Company grant equal rights to all shareholders.</p>

<sup>16</sup>–The frequency of meetings of the collegial body provided for in the recommendation must be applied in those cases when both additional collegial bodies are formed at the company, the board and the supervisory board. In the event only one additional collegial body is formed in the company, the frequency of its meetings may be as established for the supervisory board, i.e. at least once in a quarter.



<p>6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.</p>	<p>Yes</p>	<p>The Company informs shareholders about the rights of newly issued shares. Information about the rights of already issued shares is provided in the Shareholders' Policy approved by the Board, the Articles of the Association, Company's annual report.</p>
<p>6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the General Shareholders' Meeting. All shareholders should be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.</p>	<p>Yes</p>	<p>Shareholders of the Company have equal opportunities to get familiarised and participate in adopting decisions important to the Company. Approval of the General Shareholders' Meeting is also necessary in cases stipulated in Chapter V of the Law on Companies of the Republic of Lithuania. No other cases when the approval of the General Shareholders' Meeting should be obtained are foreseen, since it would impair Company's business considering the nature of the Company's activity.</p>
<p>6.4. Procedures of convening and conducting a General Shareholders' Meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the Company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the General Shareholders' Meeting and receive answers to them.</p>	<p>Yes</p>	<p>The procedures of convening and conducting of the General Shareholders' Meeting comply with the provisions of legal acts and provide the shareholders with equal opportunities to participate in the meetings get familiarised with the draft resolutions and materials necessary for adopting the decision in advance, also give questions to the Board members.</p>
<p>6.5. If is possible, in order to ensure shareholders living abroad the right to access to the information, it is recommended that documents on the course of the General Shareholders' Meeting, should be placed on the publicly accessible website of the company not only in Lithuanian language, but in English and /or other foreign languages in advance. It is recommended that the minutes of the General Shareholders' Meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in Lithuanian, English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.</p>	<p>Yes</p>	<p>The documents prepared for the General Shareholders' Meeting are published in Lithuanian and English on the Company's website. The decisions of General Shareholders' Meetings for the last 8 years are also published on Company's website.</p>
<p>6.6. Shareholders should be furnished with the opportunity to vote in the General Shareholders' Meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.</p>	<p>Yes</p>	<p>The Company's shareholders are furnished with the opportunity to participate in the General Shareholders' Meeting both personally and via an attorney, if such a person has a proper authorisation or if an agreement on the transfer of voting rights was concluded in the manner set forth in the legal acts. The Company provides the shareholders with conditions to vote by</p>





		completing the general voting ballot.
6.7. With a view to increasing the shareholders' opportunities to participate effectively at General Shareholders' Meetings, the companies are recommended to expand use of modern technologies by allowing the shareholders to participate and vote in General Shareholders' Meetings via electronic means of communication. In such cases security of transmitted information and a possibility to identify the identity of the participating and voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially shareholders living abroad, with the opportunity to watch shareholder meetings by means of modern technologies.	No	Shareholders can vote via an attorney or by completing the general voting ballot but for the meantime shareholders can not participate and vote in General Shareholders' Meetings via electronic means of communication.
<p><b>Principle VII: The avoidance of conflicts of interest and their disclosure</b></p> <p><b>The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.</b></p>		
7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.	Yes	The Board members fully comply with these recommendations.
7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the General Shareholders' Meeting or any other corporate body authorised by the meeting.		
7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.		
7.4. Any member of the company's supervisory		



<p>and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.</p>		
<p><b>Principle VIII: Company's remuneration policy</b>  <b>Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the Company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of Company's remuneration policy and remuneration of directors.</b></p>		
<p>8.1. A Company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement) which should be clear and easily understandable. This remuneration statement should be published as a part of the company's annual statement as well as posted on the company's website.</p>	<p>No</p>	<p>The Company does not prepare a remuneration policy since the majority of VIII principle items are not relevant for the present structure of the Company.</p> <p>Information about the benefits and loans for the members of the management bodies is provided in the periodical reports, financial statements.</p>
<p>8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.</p>		
<p>8.3. Remuneration statement should leastwise include the following information:</p> <ol style="list-style-type: none"> <li>1) explanation of the relative importance of the variable and non-variable components of directors' remuneration;</li> <li>2) sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration;</li> <li>3) an explanation how the choice of performance criteria contributes to the long-term interests of the company;</li> <li>4) an explanation of the methods, applied in order to determine whether performance criteria have been fulfilled;</li> <li>5) sufficient information on deferment periods with regard to variable components of remuneration;</li> <li>6) sufficient information on the linkage between the remuneration and performance;</li> <li>7) the main parameters and rationale for any annual bonus scheme and any other non-cash benefits;</li> <li>8) sufficient information on the policy regarding termination payments;</li> <li>9) sufficient information with regard to vesting periods for share-based remuneration, as referred to in point 8.13 of this Code;</li> <li>10) sufficient information on the policy regarding retention of shares after vesting, as referred to in point 8.15 of this Code;</li> <li>11) sufficient information on the composition of peer groups of companies the remuneration</li> </ol>		

<p>policy of which has been examined in relation to the establishment of the remuneration policy of the company concerned;</p> <p>12) a description of the main characteristics of supplementary pension or early retirement schemes for directors;</p> <p>13) remuneration statement should not include commercially sensitive information.</p>		
<p>8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.</p>		
<p>8.5. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors over the relevant financial year. This document should list at least the information set out in items 8.5.1 to 8.5.4 for each person who has served as a director of the company at any time during the relevant financial year.</p> <p>8.5.1. The following remuneration and/or emoluments-related information should be disclosed:</p> <ul style="list-style-type: none"> <li>- the total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the Annual General Shareholders' Meeting;</li> <li>- the remuneration and advantages received from any undertaking belonging to the same group;</li> <li>- the remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted;</li> <li>- if permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director;</li> <li>- compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year;</li> <li>- total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points.</li> </ul> <p>8.5.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed:</p>		

<p>- the number of share options offered or shares granted by the company during the relevant financial year and their conditions of application;</p> <p>- the number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year;</p> <p>- the number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights;</p> <p>- all changes in the terms and conditions of existing share options occurring during the financial year.</p> <p>8.5.3. The following supplementary pension schemes-related information should be disclosed:</p> <p>- when the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year;</p> <p>- when the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant financial year.</p> <p>8.5.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial report of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.</p>		
<p>8.6. Where the remuneration policy includes variable components of remuneration, companies should set limits on the variable component(s). The non-variable component of remuneration should be sufficient to allow the company to withhold variable components of remuneration when performance criteria are not met.</p>		
<p>8.7. Award of variable components of remuneration should be subject to predetermined and measurable performance criteria.</p>		
<p>8.8. Where a variable component of remuneration is awarded, a major part of the variable component should be deferred for a minimum period of time. The part of the variable component subject to deferment should be determined in relation to the relative weight of the variable component compared to the non-variable component of remuneration.</p>		
<p>8.9. Contractual arrangements with executive or managing directors should include provisions</p>		



<p>that permit the company to reclaim variable components of remuneration that were awarded on the basis of data which subsequently proved to be manifestly misstated.</p>		
<p>8.10. Termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.</p>		
<p>8.11. Termination payments should not be paid if the termination is due to inadequate performance.</p>		
<p>8.12. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of Annual General Shareholders' Meeting.</p>		
<p>8.13. Shares should not vest for at least three years after their award.</p>		
<p>8.14. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements should not be exercisable for at least three years after their award. Vesting of shares and the right to exercise share options or any other right to acquire shares or to be remunerated on the basis of share price movements, should be subject to predetermined and measurable performance criteria.</p>		
<p>8.15. After vesting, directors should retain a number of shares, until the end of their mandate, subject to the need to finance any costs related to acquisition of the shares. The number of shares to be retained should be fixed, for example, twice the value of total annual remuneration (the non-variable plus the variable components).</p>		
<p>8.16. Remuneration of non-executive or supervisory directors should not include share options.</p>		
<p>8.17. Shareholders, in particular institutional shareholders, should be encouraged to attend General Shareholders' Meetings where appropriate and make considered use of their votes regarding directors' remuneration.</p>		
<p>8.18. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the Annual General Shareholders' Meeting. Remuneration statement</p>		



<p>should be put for voting in Annual General Shareholders' Meeting. The vote may be either mandatory or advisory.</p>		
<p>8.19. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of Annual General Shareholders' Meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in Annual General Shareholders' Meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.</p>	<p>Not applicable</p>	<p>In 2012 the schemes, on which basis the managers were remunerated in shares, share selection transactions or other rights to acquire the shares or be remunerated based on the share price movements were not applied in the Company.</p>
<p>8.20. The following issues should be subject to approval by the Annual General Shareholders' Meeting:</p> <ol style="list-style-type: none"> <li>1) grant of share-based schemes, including share options, to directors;</li> <li>2) determination of maximum number of shares and main conditions of share granting;</li> <li>3) the term within which options can be exercised;</li> <li>4) the conditions for any subsequent change in the exercise of the options, if permissible by law;</li> <li>5) all other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company under similar terms. Annual General Shareholders' Meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.</li> </ol>		
<p>8.21. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe the shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.</p>		
<p>8.22. Provisions of Articles 8.19 and 8.20 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the Annual General Shareholders' Meeting.</p>		
<p>8.23. Prior to the Annual General Shareholders'</p>		



<p>Meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.</p>		
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**Principle IX: The role of stakeholders in corporate governance**

**The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the Company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the Company concerned.**

<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.</p>	<p>Yes</p>	<p>The Company respects the rights of interest holders and allows the interest holders to participate in the management of the Company in the manner set forth by the laws. The detailed information about planned events has been constantly disclosed in line with requirements of legal acts; therefore, the investors (shareholders) have enough opportunities to familiarize with necessary information as well as vote on decisions. More detailed explanation about disclosure procedure is provided below in the part 10.</p>
<p>9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.</p>		
<p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</p>		

**Principle X: Information disclosure and transparency**

**The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the Company, including the financial situation, performance and governance of the Company.**





<p>10.1. The company should disclose information on:</p> <ol style="list-style-type: none"> <li>1) the financial and operating results of the company;</li> <li>2) company objectives;</li> <li>3) persons holding by the right of ownership or in control of a block of shares in the company;</li> <li>4) members of the company's supervisory and management bodies, Chief Financial Officer of the company and their remuneration;</li> <li>5) material foreseeable risk factors;</li> <li>6) transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations;</li> <li>7) material issues regarding employees and other stakeholders;</li> <li>8) governance structures and strategy.</li> </ol> <p>This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.</p>	<p>Yes</p>	<p>Information set forth in this recommendation is disclosed in the notifications on material event, periodical reports. This information is also published on Company's website.</p>
<p>10.2. It is recommended to the company, which is the parent of other companies, that consolidated results of the whole group to which the Company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.</p>		
<p>10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, Chief Financial Officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and Chief Financial Officer as per Principle VIII.</p>		
<p>10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.</p>		
<p>10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is</p>	<p>Yes</p>	<p>The company discloses information via NASDAQ OMX news distribution service so that the public in Lithuania and other EU countries should have equal access to the information. The information is disclosed in Lithuanian and English.</p>



<p>recommended that notices about material events should be announced before or after a trading session on the NASDAQ OMX Vilnius, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.</p>		<p>The company publishes its information prior to or after the trade sessions on the NASDAQ OMX Vilnius. The company does not disclose information that may have an effect on the price of shares in the commentaries, interview or other ways as long as such information is publicly announced via NASDAQ OMX news distribution service.</p>
<p>10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.</p>	<p>Yes</p>	<p>The information is disclosed in Lithuanian and English simultaneously via NASDAQ OMX news distribution service. It is also published on company's website.</p>
<p>10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.</p>	<p>Yes</p>	<p>The company publishes all information indicated in this recommendation on its website.</p>

**Principle XI: The selection of the Company's auditor**

**The mechanism of the selection of the Company's auditor should ensure independence of the firm of auditor's conclusion and opinion.**

<p>11.1. An annual audit of the company's financial reports and interim reports should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.</p>	<p>Yes</p>	<p>The annual Company's and consolidated financial statements and consolidated annual report are conducted by the independent audit company. The interim financial statements are not conducted by the audit company.</p>
<p>11.2. It is recommended that the company's Supervisory Board and, where it is not set up, the company's Board should propose a candidate firm of auditors to the General Shareholders' Meeting.</p>	<p>Yes</p>	<p>The candidate audit company is suggested to the General Shareholders' Meeting by the Board.</p>
<p>11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's Supervisory Board and, where it is not formed, the company's Board upon their consideration which firm of auditors to propose for the General Shareholders' Meeting.</p>	<p>Not applicable</p>	<p>The audit company does not provide non-audit services to the Company.</p>

The President

Dalius Kaziusas