



Domestic legislation	<b>AB Ignitis grupė dividend policy</b>
Name of the process	Dividend allocation and payment
Approving company	AB Ignitis grupė
Owner – the department	Treasury Department
Approving person / body	Board of AB Ignitis grupė
Date of approval	03/09/2020
Date of entry into force	04/09/2020

## **AB IGNITIS GRUPĖ DIVIDEND POLICY**

### **1. PURPOSE AND SCOPE OF APPLICATION**

- 1.1. The purpose of the policy is to define the principles of awarding and paying dividends of AB Ignitis grupė (hereinafter referred to as the Company).
- 1.2. The policy applies to the Company.

### **2. TERMS**

- 2.1. **Resolutions** – Resolution of the Government of the Republic of Lithuania of 2 September 2020 “Concerning Dividends Paid by AB Ignitis Grupė”, Resolution of the Government of the Republic of Lithuania of 14 January 1997 No. 20 “Concerning Dividends on State-Owned Company Shares and Profit Contributions of State-Owned Enterprises”.

### **3. GENERAL PROVISIONS**

- 3.1. The purpose of this Policy is to define the main principles that must be ensured when submitting proposals to the management bodies of the Company regarding the distribution of dividends of the Company. The Policy aims to contribute to the increase of the Company's value by properly informing the Company's shareholders and other market participants about the future long-term return on investments in the Company's capital.
- 3.2. The Policy has been prepared in accordance with the Resolutions and the laws of the Republic of Lithuania.

### **4. DIVIDEND SIZE**

- 4.1. Following to the Resolutions, the Board of the Company proposes to allocate a part of the profit to dividends for the financial year or for a period shorter than the financial year:
  - 4.1.1. EUR 85 million in dividends for the financial year 2020;
  - 4.1.2. For each subsequent financial year, allocate at least 3 percent more than the amount paid for the previous financial year.

### **5. DIVIDEND AWARD AND PAYMENT PROCEDURE**

- 5.1. The Board of the Company, taking into account the provisions of the Policy, makes a decision on the recommended profit (loss) distribution project for the financial year or for a period shorter than the financial year and submits feedback and proposals to the Company's Supervisory Board and the General Meeting of Shareholders.
- 5.2. The decision on the payment of dividends and the amount of dividends shall be made by the General Meeting of Shareholders of the Company.
- 5.3. Dividends are entitled to those persons who, at the end of the record date of the rights of the General Meeting of Shareholders declaring the dividends, were shareholders of the Company or were entitled to dividends on other legal grounds.
- 5.4. The Company must pay dividends no later than one month after the date of the decision to distribute the profit or the decision to allocate dividends for a period shorter than the financial year.
- 5.5. Advance payment of dividends is prohibited. The Company shall pay dividends in cash through intermediaries – managers of securities account.
- 5.6. Dividends determined by the decision of the General Meeting of Shareholders shall be a liability of the Company to the shareholders. A shareholder shall have the right to claim a dividend from the Company as its creditor.
- 5.7. The principles set out in this Policy shall also apply to the payment of dividends for a period shorter than the financial year. Shareholders of the Company, whose shares entitle them to at least 1/3 of all votes, shall have the right to initiate the payment of dividends for a period shorter than the financial year.

## **6. FINAL PROVISIONS**

- 6.1. The Policy is approved and amended by the decision of the Board of the Company.
- 6.2. The Head of the Treasury Function is responsible for the preparation and amendment of the Policy.
- 6.3. The Head of the Treasury Function is responsible for the implementation and control of the measures of this Policy.
- 6.4. The Policy is publicly available on the Company's website.