

## Structure of principles in Baltic corporate governance codes

| Area                                      | The Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius (Lithuania)   | The Corporate Governance Code for the Companies Listed on NASDAQ OMX Riga (Latvia)   | The Corporate Governance Code for the Companies Listed on NASDAQ OMX Tallinn (Estonia)   |
|---|--|--|--|
| Basic provisions/<br>governance framework | <p>Basic provisions: basic objective of the company – optimizing shareholders value</p> <p>The corporate governance framework – insurance of strategic company guidance, management bodies' supervision, distribution of functions with the company, shareholder rights protection</p> | <p>General provisions: increase value of the company as long as all interests and rights of shareholders are complied with</p>   | -  |
| Governance bodies                         | <p>The order of the formation of a collegial body to be elected by a general shareholders' meeting – ensure representation of minority shareholders, accountability of this body to the shareholders</p>   | <p>Board:</p> <ul style="list-style-type: none"> <li>• obligations, authorities and responsibilities of the board and its members should be clearly determined</li> <li>• board composition has to ensure independent and critical decision making</li> <li>• board members have to avoid any conflict of interest, be independent and responsible for taking decisions, act under ethical principles</li> </ul> | <p>General meeting:</p> <ul style="list-style-type: none"> <li>• shareholders exercise their rights by ensuring their right to participate in general meeting</li> <li>• notice of general meeting must be sent to shareholders and all relevant information provided in company's website</li> <li>• members of management board, supervisory board, auditors shall participate in general meeting</li> </ul> |
|   | <p>The duties and liabilities of a collegial body elected by the general shareholders' meeting</p>   | <p>Council:</p> <ul style="list-style-type: none"> <li>• need to act under interest of all shareholders. Obligations and responsibilities have to be determined</li> <li>• composition of council need to transparent and independent</li> <li>• council members have to avoid any conflict of interest, be independent and responsible for taking decisions, act under ethical principles</li> </ul>            | <p>Management, supervisory board:</p> <ul style="list-style-type: none"> <li>• duties and composition have to be clearly stated</li> <li>• members need to avoid conflict of interests</li> <li>• boards shall cooperate for better representation of company's interests</li> </ul>   |
|   | <p>The working procedure of the company's collegial bodies – efficient operation and decision-making, cooperation between companies' bodies</p>  |  |  |

**Continuing annex 8**

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|------------------------|--|--|--|
| Shareholder rights     | The equitable treatment of shareholders and shareholder rights   | <ul style="list-style-type: none"> <li>• Ensure equal attitude to all shareholders;</li> <li>• Shareholder meeting shall be attended by company's board members, auditors and council members</li> </ul>   | Equal treatment of all shareholders and equal notification of relevant information |
|                        | The avoidance of conflicts of interest and their disclosure  | Investor relations – special attention that all investors would have access to equal, timely and sufficient information  |  |
| Remuneration           | Company's remuneration policy – avoid conflict of interests, raise publicity and transparency  | Remuneration policy <ul style="list-style-type: none"> <li>• principles, types and criteria of remuneration have to be developed to avoid conflict of interests</li> <li>• remuneration report has to be available for all shareholders</li> </ul> | -  |
| Stakeholders           | The role of stakeholders in corporate governance – recognition of stakeholders' rights established by the law, active cooperation          | -  | -  |
| Information disclosure | Information disclosure and transparency – timely and accurate disclosure of financial situation, performance and governance of the company |  | Annual publication of annual reports as well as interim reports                    |
| Control systems        | The selection of the company's auditor – procedures to ensure independence of audit firm   | Internal control and risk management: <ul style="list-style-type: none"> <li>• Regular planning and determination of internal and external (audit) controls</li> <li>• Audit committee has to be established</li> </ul>                            | All information of auditor selection shall be available for all shareholders       |

Source: Nasdaq OMX Vilnius (2010), Nasdaq OMX Riga (2010) Nasdaq OMX Tallinn (2007)