

DIVIDEND POLICY

The dividend policy is based on the following principles:

- in order to reach a sound financial basis, the Company is pursuing adequate equity/financing ratios. In order to reach these ratios, retained earnings are established from net profit after tax as long as it is necessary;
- the basic business policy of the Company is structured in a way that an adequate net profit after tax is achieved;
- principally, the distribution of an adequate dividend to the shareholders is intended for each operating year;
- the distribution of dividends is only paid from available cash funds of the Company.

Who takes decisions regarding the payment of dividends?

A dividend is a stock company's unit of pure profit that is received by a shareholder. The amount of this unit of profit, or the amount of money that is paid, is proposed by board, but decided by a shareholders meeting. A shareholders meeting also determines the date on which dividends will be calculated and the date on which such dividends will be paid to shareholders.

How do I receive dividends?

In order to receive dividends, shares must first be transferred to a securities account. If shares are in a securities account, dividends are automatically transferred to the opened cash account. If shares are still registered in the Initial Shareholders Registry, then dividends are amassed by Latvian Central Depository.

Before shareholders meetings, the date is determined on which the list of shareholders will be ascertained, or the "calculation date." If a person has shares in a securities account on the calculation date, dividends are paid; if a

person does not, dividends are not paid. A person who wishes to procure shares before the calculation date must take into account that securities payments take at least three days, from the moment when the shares are purchased until the moment when such shares are transferred to a securities account. For instance, if the calculation date is set for July 14, then shares must be purchased by July 10. The shareholders meeting shall determine both the dividend-calculation date and the payment date.