



**INVESTORS' FORUM
ANNUAL REPORT
2015**

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INVESTORS' FORUM MISSION, VISSION, VALUES

About us: Voluntary, independent and self-managed business association of the largest and most active investors in Lithuania. We are creating a clear FDI dialogue between government and investors community, providing an unmatched, exclusive forum for debate and cooperation with public authorities in Lithuania, in order to overcome difficulties and obstacles that may exist in the relations with investors. Investors' Forum is an association with the goal to promote the interests of the international business community in Lithuania.

Mission: to improve the business environment and investment climate in Lithuania, through cooperation with public institutions and the business community.

Vision: The most Investor-friendly business climate in the EU

Values: The way that we pursue our mission is as important as the mission itself. Our values guide us in the way we think and act. They are the major influence in determining our objectives, forming our strategies, and evaluating our results. We believe these values to be essential in operating our organization and our activities:

1. Leadership
2. Highest ethical standards
3. Inclusiveness

INVESTORS' FORUM MEMBERS



Dear Members,

New beginnings, new opportunities. This is what first comes to mind looking back at 2015. Despite ongoing geopolitical tensions and near-stasis state of global economy, Lithuania steadily held its course toward its further growth and we have entered 2016 with solid grounds for optimism.

One of the most important drivers, further increasing the state's business environment and investment climate, was joining the Euro zone. This event boosted Lithuania's economy and helped withstanding the impact from significant decline of exports to Russia and other CIS countries. Although in 2015 amounts

of Lithuania's goods and services exported to CIS states decreased by nearly a third and a quarter accordingly, our business met this as an opportunity to expand its horizons and enter new markets. Despite rather harsh international environment, last year Lithuania's real exports results were growing and, according to Eurostat, our GDP saw an increase of 1,6 percent.

Lithuanian economy outlook was further improved by other important events. In 2015 Lithuania was invited to start negotiations on the country's membership in the OECD. This historical event was an international acknowledgment of state's achievements, reaffirmed our status of modern, stable, economically developed country. Needless to say: this, along with other strategical steps, ensuring Lithuania's further development, such as implementation of power link projects LitPol Link and NordBalt, resulted in ever increasing impression that Lithuania indeed is a perfect country to do business and to invest to. And this is further confirmed by our regular Investors' Confidence index for Lithuania surveys – in the beginning of 2016 the index has reached an all-time record height.

I dare to stress that Investors' Forum contributed significantly to this improvement of investment climate and business environment in Lithuania. During the last year we have a lot of effort to ensure that the state keeps going forward.

And there still is a lot of steps to be taken, labor regulation being one of them. We, Investors' Forum, were one of the most active advocates and movers ensuring that the discussion on the new Social Model not only continues, but results in corresponding law amendments. Although we are yet to see the final outcome of this discussion, the process itself showed clearly that the needed change we have been advocating for years is achievable and the country is now on a threshold to potential new possibilities and development.

Dear colleagues and Investors' Forum members, this would have been impossible without your contribution and honest work. On behalf of the administration office and the Board of our association, I thank you for your support in 2015. Seeing us working and achieving together, I have strong reasons to believe that the optimism and recognition by global experts that Lithuania received during our second Baltic Investors forum in the last year, will be tripled in 2017, when we will organize the third BIF conference.

However, in order to ensure further growth of Lithuania's economy and open up even more new opportunities for local and international businesses, a lot still needs to be done. Nevertheless, my experience clearly shows that no task is unachievable and no challenge is too difficult while working with you, dear colleagues.



Chairman of the Board
Rolandas Valiunas

BOARD MEMBERS

Rolandas Valiunas

Valiunas Ellex

Vladas Algirdas Bumelis

Northway group

Per Dahl

Rimi Lietuva

Alberto Bernardi

Philip Morris Baltic

Inga Skisaker

Nordea

Mykolas Katkus

VRP Hill+Knowlton Strategies

Algimantas Markauskas

Thermo Fisher Scientific

Jonas Akelis

EY Baltic

Kestutis Čiplys

Siemens Osakeyhtio
Lithuanian branch

Aivaras Cicelis

SEB bank

Kim Bartholdy

DSV Transport

INTRODUCTION

Investors' Forum continues to represent, express and advance the shared opinion of its members, in order to promote common interests and stimulate foreign direct investments in the country. We cooperate with public authorities in Lithuania, in order to overcome difficulties and obstacles that may exist in the relations with foreign investors.

We have maintained our regular activities and organized meetings with Public officials where we have shared our expertise and presented proposals for creating better business environment in Lithuania. We have recognized and awarded the leaders in the market for best investments, most responsible business practices, best decisions for business climate

improvement, best journalism practices.

Convening our members' proposals, press conferences, public talks on labour regulation, territorial planning, migration and competition assurance, finance sector, transparency, tax system issues were organized.

We met and presented the organization of Investors' Forum to various stakeholders such as IMF mission, Rating agencies, EU officials, OECD, Labour Unions and many others.

We encourage all our members to take the advantage of networking and dialogue opportunities through the year.

The following provides an update on the activities for the year 2015:

INVESTORS' FORUM MAJOR EVENTS DURING THE YEAR 2015

Corporate Social Responsibility: Meeting with EY partner Jan Peter Balkenende

22-04-2015 In cooperation with the Royal Netherlands Embassy in Vilnius, the European Business Network (EBN), Investors' Forum, Clear wave, EY Lithuania and Kempinski Hotel Cathedral Square the event with presentations and a Q&A Session on Corporate Social Responsibility was organised on 22nd of April, 2015.

Investors' Forum Awards: "Klaipėdos Smeltė is announced as Investor of the Year

On April 24 association "Investors' Forum" announced companies, organizations and media

representatives that contributed the most to the improvement of Lithuanian investment and business climate. Traditional Investors' Awards were held for the fourth time. The "Investor of the year 2014" award was received by a stevedoring company "Klaipėdos Smeltė". Biotechnology company "Thermo Fisher Scientific Baltics" was awarded as the most responsible business of the year, whereas Prime Minister Algirdas Butkevičius received the "Best decision for business climate improvement 2014" award for successful introduction of euro in Lithuania. Editor of the market and finance section of "Verslo žinios" Paulius Čiulada became the "Best business journalist 2014".



"Investors' Forum" also awarded representatives of regional media who contributed the most towards communicating in an objective, analytical way the experience of investors in Lithuanian regions. Winners were chosen together with the Lithuanian Journalist

Association. This year the award went to the journalist and deputy editor of "Tauragės kurjeris" Birutė Slavinskienė, "Lietuvos žinios" reporter Kazys Kazakevičius, and "Panevėžio balsas" reporter Daiva Savickienė.



This year Investors' Awards introduced an important novelty – for the first time "Investors' Forum" together with "Lithuanian Junior Achievement" nominated the best "Teachers of economics 2014". For the efforts in youth education and promoting youth entrepreneurship the award went to Kauno Saulės gymnasium geography and economics teacher Laima Girdauskienė and the head of Klaipėdos Smeltės pro-gymnasium, economics teacher Edmundas Kvederis.

One more very important category was established – for creativity. For most beautiful Investors' Forum Christmas Cards Investors' Forum has awarded our artists from Viešvilė, Jurbarkas district.

And Awards ceremony was culminated in the concert – "Investors Hooked on Rock" performed by Investors' Forum Members and Friends:





THE TRADITIONAL TRANSPARENCY DAY EMBRACED THE COUNTRY – “NO COUNTRY FOR SHADOW”

18-05-2015 On 18th May the traditional annual public initiative “No Country For Shadow” for the fourth time was organized by the transparent business labelling initiative Clear Wave and the association Investors’ Forum. As in previous years, political leaders, businesspeople, public activists, representatives of governmental institutions, NGOs and youth organizations took to the streets of more than 40 towns and cities in Lithuania with an aim to educate the population on the shadow economy. Experts estimate that the shadow currently comprises up to 25 percent of Lithuania’s GDP – more than 9 billion euros. Lithuanian Government and President’s Office, State Tax Inspectorate, SoDra and Ministry of Finance supported the initiative along with numerous business, youth, and political organizations, such as American

Chamber of Commerce, Legal Business Alliance, Junior Achievement Lithuania, universities students’ representatives and others. Lithuanian schoolteachers organizing classes on the shadow economy in schools joined this year’s initiative, too.

In the streets, participants of the initiative “No Country for Shadow” distributed more than 30 000 informational leaflets to the residents. The leaflets provide information on the shadow economy and ways to recognize and respond to its manifestations. Residents are encouraged to demand fiscal receipts upon purchase of every good and service, to acquire legally distributed goods only, to report tax evading companies and spots selling smuggled goods, to work and employ legally.



THE SECOND BALTIC INVESTORS FORUM (BIF) TOOK PLACE IN VILNIUS ON THE 4-5TH OF JUNE, 2015

The biannual event bringing together more than 500 stakeholders provided a unique platform for leaders from the government, political parties, business, academia and civil society to discuss these issues as well as explore cooperation possibilities and growth initiatives in the Baltic area.

PROGRAMME

Today, global economy context has created new opportunities as well as new challenges for growing exports, attracting foreign direct investment through the means of country competitiveness, thus increasing internationalism of the global economy. How is it possible to place the regional business even more efficiently on the global map?

The agenda of the Baltic Investors Forum focused on growth and competitiveness in the Baltic region directing the spotlight towards investment projects, innovations, international growth opportunities and public-private co-operation. To be relevant, the event is taking the SMART approach to be specific in cases, meaningful in proposed opportunities, aspiration, realistic and time-related to ongoing global processes.



NETWORKING

Networking is particularly important part of the Forum. We all have an opportunity to surround ourselves with active and creative people and cloud up our social network streams with extraordinary individuals.

For the second time in succession, a special networking and matchmaking arrangement – B2B meetings – was at the disposal of companies and enterprises in order to establish new business relationships and foster higher volume of trade and investment. Companies and business organizations were able to book meetings with each other and consult with experts who are competent in cross-border business relationships.



INTERNATIONAL CONFERENCE BUILDING A CAPITAL MARKETS UNION: CHALLENGES AND OPPORTUNITIES FOR BUSINESS

15-09-2015 Investors' Forum together with the Ministry of Finance of the Republic of Lithuania and the City of London Corporation have organized an international Conference Building a Capital Markets Union: Challenges and Opportunities for Business in Vilnius, at Pirklių Klubas, Gedimino av. 35, on 15 September 2015.

The event has provided with a space to facilitate an exchange of views on all aspects related to building the Capital Markets Union, especially,

taking into account the upcoming European Commission's Action Plan for implementing this initiative.

The creation of a Capital Markets Union has been announced as one of the key priorities for the European Commission in its current term. The Commission's Green Paper aims at defining the building blocks for creating more successful and competitive EU financial markets and improving access to financing for businesses across Europe.

NEW POLITICAL SEASON. MEETING OF "INVESTORS' FORUM" WITH POLITICAL LEADERS IN SEIMAS

28-10-2015 Investors' Forum members and invited guests participated in the discussions about new political season with members of Seimas. Conference was opened by Chairwomen of Seimas Loreta Graužinienė. In the discussions have participated – deputy Chairman of Seimas

Algirdas Sysas, Opposition Leader Andrius Kubilius, Chairman of Liberalų Sąjūdis Eligijus Masiulis, Leader of Darbo party fraction in Seimas Kęstutis Daukšys, Investors' Forum Board members – Rolandas Valiūnas (Chairman of the Board) and Algimantas Markauskas.



MEETING OF “INVESTORS’ FORUM” AND ASSOCIATION OF LITHUANIAN BANKS WITH REPRESENTATIVES OF THE BANK OF LITHUANIA

On the 1st of December, 2015 association “Investors’ Forum” and Association of Lithuanian banks had a meeting with representatives of the Bank of Lithuania - chairman Vitas Vasiliauskas and deputy Ingrida Šimonytė. A number of

different topics were discussed: the impact of negative interest rates on the Lithuanian economy and the bank sector, development of an extensive database in Bank of Lithuania and other topics



ADVOCACY AND STAKEHOLDER RELATIONS:

Investors’ Forum maintained an active lobby throughout the year to highlight the needs of our members and to encourage the necessary actions to improve investment climate and business environment. The advocacy of the organization was two-fold – public commentary via media interviews and press releases, and representation on various government committees and working groups, meeting government officials and political leaders. Based on feedback from members, from our work groups and an analysis of the business environment, the underlying issues addressed throughout the year were as follows:

- a) **Social model.** Active participation in all stages of discussions – starting from public hearings to discussions in Seimas committees. IF took an active position in presenting to public the possibilities and positive changes in regulating labor market, by establishing “Dirbanti Lietuva” as a platform for discussions.
- b) **Investment Promotion Program.** IF have presented proposals for the program. Participated in the work group. Program approved.
- c) **Smart Tax Administration.** Meeting with Tax authorities for all our members was held. Presentation about iMAS was presented

and discussed. We have agreed with Tax Inspectorate to have regular meetings. Our representative joint the group formed for iMAS implementation.

d) **Migration issues.** IF together with other business associations have presented the letter to the Government office presenting the proposal to make Blue card procedures more efficient and competitive. IF presented comments on draft Law on Aliens legal status. Some positive changes took place in the regulations.

e) **Tax System.** IF presented several letters commenting draft legislation on tax system. During 2015 not so much done – widened Property tax base and lowered tariff and others.

f) **Public Procurement.** IF works closely with State Public Procurement Agency adjusting Procurement Law. Together with initiative Clare Wave have established work group.

Meetings: IF members had meetings:

a. With Minister of Environment discussing several issues to be considered to change – Environment assessment impact and other.

b. With the newly elected Mayor of Vilnius Remigijus Šimašius

c. With Tax Inspection team on Smart Taxation.

d. IF Tax Group had a meeting with the Minister of Finance Rimantas Šadžius

e. IF Labor Group had a meeting with Tomas Davulis and Justinas Usonis (Social Model Group) with participation of President Advisor, to discuss Labor Code Draft.

The association further strengthened its advocacy through involvement in committees and working groups in the areas of:

a) **Economic Diplomacy Council.** Rolandas Valiūnas (Valiunas Ellex) is a member of Economic Diplomacy Council. Rūta Skyrienė (Investors' Forum) is a member of the work group for the Economic Diplomacy Council;

b) **Innovative Economy Council.** Algimantas Markauskas (Thermo Fisher Scientific) is a

member of Innovative Economy Council (Ministry of Economy).

c) **Lithuanian Business Council.** Rolandas Valiūnas and Rūta Skyrienė participate in regular coordination meetings of Lithuanian Business Council (IF is a Member of the Council).

d) **EU Structural Funds 2014 – 2020.** Rūta Skyrienė (Investors' Forum) is a member of the work group to prepare guidance for the use of funds.

e) **Invest LT.** Rolandas Valiūnas is a member of the Board

f) **Enterprise Lithuania.** Arūnas Jonuška (Orion Global PET) is a member of Supervisory Board.

In addition to the above Investors' Forum continued its advocacy in several seminars, conferences and workshops:

1) 23-02-2015 – conference at Seimas – **“Social Dialog development possibilities in Lithuania”**

2) 18-09-2015 - Meeting with European Commission **Vice – President Jyrki Katainen** and representatives of EIB discussing about delivering the new jobs, growth and investment program, this will mobilize up to €300 billion in additional public and private investment in the real economy over the next three years.

3) 16-06-2015 – **Joining the EURO and then? How to ensure economic success after entering the common currency**, organized by European Commission, Directorate – General for Economic and Financial Affairs.

4) 17-02-2015 - Ruta Skyriene participated in the **discussion at the European Parliament Info Office** about the Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of research, studies, pupil exchange, remunerated and unremunerated training, voluntary service and au pairing.

5) 03-06-2015 – Ruta Skyriene has participated with presentation **“Labor Code Effect on the**

Economy” at Lithuanian Seimas and World Lithuanian Community Meeting in Seimas.

6) 16-03-2015 – Ruta Skyrienė has participated in the discussion about business and science partnership **„Is Mission Possible?”** at President Office.

7) 19-06-2015 – Conference **“Importance of Social Dialog in Solving Issues in Labor Regulations and Guaranties (Flexicurity) in European Countries”**, organized by Labor Unions.

8) 24-11-2015 – Ruta Skyriene participated in the panel discussions **“Shadow Economy: cause and policies”**

9) 13-10-2015 – **Transparency event on Accountability and Transparency.** Ruta Skyriene has presented our initiative to present all Investors' Forum letters to public authorities

about our issues on web page.

10) 08-12-2015 - the roundtable meeting at the Swedish Embassy on **Labour mobility drivers and barriers for LT nationals.**

11) For destroying myths about the social model initiative **“Dirbanti Lietuva”** with other partners were launched. The purpose of the initiative was to simply and objectively explain the changes that the employees, employers and other groups can expect after social model will be introduced.



PRESS CONFERENCES:

2015 05 18 Investors' Forum and state institutions shared their insights on the shadow economy and means to fight it in a press conference organized before an annual event “No Country for Shadow”. Participants: Vilnius City Mayor Remigijus Šimašius, Head of State Tax Inspection Dainoras Bradauskas, Executive Director of Investors' Forum Rūta Skyrienė

and Head of Strategic Projects of Investors' Forum and coordinator of “Clare Wave” initiative Andželika Rusteikienė.

05-10-2015 Association “Investors' Forum” presented investors' expectations for this political season and the highest priority - enacting the New Social Model.



"Obsolete, inflexible labor regulations are one of the largest drawbacks of Lithuanian investment climate. The new social model would enable Lithuanian workers to earn higher wages and would help to attract foreign investors, therefore its amendment require highest possible attention and strong political will", said Rūta Skyrienė, Executive Director of Investors' Forum.

The role of the new social model in improving competitiveness of the country was also emphasized by Nerijus Mačiulis, chief economist at "Swedbank". "Despite the fact that Lithuania climbed 5 steps upwards to 36th place in this year's competitiveness index by World Economic Forum, it is too early to celebrate, since some factors are significantly lagging behind. For example, according to hiring and dismissal procedures and taxation impact on labor market Lithuania ranks 120th and 123rd respectively.", said N. Mačiulis.

According to the economist, more flexible labor regulations would empower Lithuania to not only outmatch Estonia, but to also entrench its position among the 30 most competitive economies in the world.

Mr. Rimantas Stanevičius, associate lawyer at "Valiunas Ellex" echoed the opinion, adding that the current Labour Code is also at odds with modern management practices. "One of the main arguments of the new social model critics is that flexibility of labour regulations will be used against workers by unethical employers. However, the truth is that progressive employers never coerce their staff, since most value is created when employees are actually motivated to work. The current Labour Code is only an illusion of employee protection that does not

benefit current workers, however does a great job deterring potential investors and well paid jobs", said R. Stanevičius.

UAB „PricewaterhouseCoopers“ partner Nerijus Nedzinskas drew the attention to the fact that the new labour code legitimizes a wider variety of employment contracts, the possibility of distant mobile work and more flexible work week length, all of which create preconditions for a much better work and personal time balance. "There are clear trends in the world – longer life expectancy, unsustainable welfare systems and rise of retirement age. In this context it is important to ensure more flexible working conditions and contracts that would allow workers to devote more time for families and leisure", said N. Nedzinskas.

Investors' Forum is also in favor of automatic pension indexing, mentioned in the new social model that would be linked to realistic abilities of the economy and would pave the path for consistent pension growth while keeping the social security budget in balance. After such an amendment pensions would be determined by objective economic criteria, such as employment rate and average monthly wage, rather than political cycles and political opportunism.

Despite the fact that Investors' Forum still see possibilities for further improvement of the new social model, IF agrees on the importance of its amendment and stress that current situation does not meet the needs of neither the employers nor employees. Labor code from the previous century and inadequate tax burden not only inhibits creation of new jobs and wage growth, but also prevents social and economic progress of Lithuania.

INVESTORS' FORUM WORK GROUPS

Investors' Forum keeps actively working on advising the Government of Lithuania as well as drafts related proposals and legislation in the areas important for the investors such as taxation, labour regulation, business ethics.

LEADERS AND MEMBERS OF INVESTORS' FORUM WORKING GROUPS

TAX GROUP:

KĘSTUTIS LISAUSKAS, LEADER OF THE GROUP, EY

MEMBERS:

GINTARAS BALČIUS, VALIUNAS ELLEX
SAULĖ DAGILYTĖ, SORAINEN
LINA KRASAUSKIENĖ, DELOITTE
AISTĖ MEDELIENĖ, VALIUNAS ELLEX
NERIJUS NEDZINSKAS, PWC
BIRUTĖ PETRAUSKAITĖ, KPMG BALTICS
VITA ŠUMSKAITĖ, KPMG BALTICS

LABOR GROUP:

RAMŪNAS PETRAVIČIUS, LEADER OF THE GROUP, VALIUNAS ELLEX

MEMBERS:

RAMŪNAS BAGDONAS, TEO; ZITA BLAŽIENĖ, TEO
VAIDA GRIGONIEŖ, GLOBAL ORION PET; RŪTA JUZIKIENĖ, MOOG;
DAIVA KASPERAVIČIENĖ, TEO; VITALIJUS KIRVAITIS, BITĖ; JULIJA LISOVSKAJA, EY; GINTARĖ MIKALAUSKAITĖ, SORAINEN; NERIJUS PATLABYS, VALIUNAS ELLEX; ALGIRDAS PEKŠYS, SORAINEN;
RIMANTAS STANEVIČIUS, VALIUNAS ELLEX; AGNIETĖ VENCKIENĖ, SORAINEN; ELA ŽEMAITIENĖ, KLASMANN- DEILMANN

BUSINESS ETHICS GROUP:

LIUDAS JURKONIS, EY

MEMBERS:

EGLĖ ADOMAVIČIENĖ, LEADER OF THE GROUP, NORDIC
SUGAR KĖDAINIAI
VYTAUTAS DANTA, DNB
LINAS DIČPETRIS, EY
INGA RADZEVIČIENĖ, OVC
RAIMONDAS RAPKEVIČIUS, GENERAL FINANCING
AUŠRINĖ SUSLAVIČIENĖ, DNB
DAVIS ŠVIRINAS, SORAINEN
ŽIVILĖ VALEIŠIENĖ, WESTERN UNION
INGA VYŠNIAUSKIENĖ, HEWLETT-PACKARD

ENERGY GROUP:

SAULIUS BILYS, LEADER OF THE GROUP, AMBERGRID

MEMBERS:

JONAS AKELIS, EY
MINDAUGAS BAKAS, NASDAQ OMX
DOVILĖ GRĖBLIKIENĖ, VALIUNAS ELLEX
DALIUS MISIŪNAS, LIETUVOS ENERGIJA
ALVYDAS NAUJĖKAS, VĖJŲ SPEKTRAS
DAVIS VIRBICKAS, LITGRID
EGIDIJUS LAZAUSKAS, EY BALTIC
DAVIS ŠVIRINAS, SORAINEN
ŠARŪNAS SKYRIUS, M&A INTERNATIONAL
VIRGINIJUS STRIOGA, E-ENERGIJA

LEADERS AND MEMBERS OF INVESTORS' FORUM WORKING GROUPS

IMPROVEMENT OF BUSINESS ENVIRONMENT IN THE TECHNOLOGY SECTOR GROUP:

KĘSTUTIS ŠLIUŽAS, LEADER OF THE GROUP, TEO

MEMBERS:

ANDRIUS BOGDANOVIČIUS, CREDITINFO
VYTĖ DANILEVIČIŪTĖ, SORAINEN
STASYS DRAZDAUSKAS, SORAINEN
DARIUS GUOBA, GENERAL FINANCING
KAROLIS KAČERAUSKAS, VALIUNAS ELLEX
GIEDRĖ KAMINSKAITĖ – SALTERS, TEO
VITALIJUS KIRVAITIS, BITĖ
ARTURAS PILIPONIS, EY
LAURA ŠLEPAITĖ, VALIUNAS ELLEX
INGA VYŠNIAUSKIENĖ, HP

PUBLIC HEALTH GROUP:

DOVILĖ BURGIEŖ, LEADER OF THE GROUP, VALIUNAS ELLEX

MEMBERS:

DIANA BUMELYTĖ, NORTHWAY
LINAS DIČPETRIS, EY
MINDAUGAS SOCEVIČIUS, LIREMA
VITALIJUS ORLOVAS, EUROMEDIC

COMMUNICATION ADVISORY: MYKOLAS KATKUS, VRP HILL+KNOWLTON STRATEGIES

INVESTORS' FORUM PROPOSALS IN MAIN AREAS OF ACTIVITY

I. Proposals in the area of Employment

- a) Lower the common level of guarantees
- b) Integrate the system of social security and labour relationship aiming at "Flexicurity" and proactive labour market (laws must motivate to work, not to get benefits)
- c) Regulate working time in such way that minimum standards of EU Working Time Directive are met (e.g. some countries implemented opt-outs)
- d) Clearly regulate dismissal order and introduce possibility of dismissal at will of the employer (by paying the increased severance) for all companies
- e) In case of absence of collective agreement, allow agreeing on employment terms (that otherwise should be regulated by collective agreement) in the employment contract
- f) Eliminate undeserved individual guarantees
- g) Shorten maternity leave to 1 year (now 2-3 years) and determine longer length of service period according to which the amount of benefits is calculated, eliminate parental leave (by offering opportunity to take annual vacation at that time)
- h) Introduce stamp-duty for employees' claims
- i) Control of cases of rapid illnesses and lost professional ability to work
- j) Allow flexible work organization forms (e.g. distant work)
- k) Eliminate payment of average salary for the litigation period and for delay to settle with employee
- l) Improve the process of legislation by giving opportunity to all duly represented employers' organizations to participate in the Tripartite Council or replace this council by new

II. Emigration / Immigration

- a) Create program marketing own country and incentivizing young people to stay in Lithuania as well as inviting them to return
- b) Make easier restoration of citizenship of the Republic of Lithuania for successors of Lithuanian residents, who lived in Lithuania until 1918 (currently they can only use a possibility of simplified citizenship granting procedure, which does not allow preserving a dual citizenship)
- c) Establish new grounds for obtaining of residence permits, e.g. such as ownership of real estate and payment of real estate tax in Lithuania
- d) Organize "green card" lottery to attract educated

or high qualified people from third parties to live and work in Lithuania (e.g. targeting young citizens of such countries as Ukraine, Belarus, etc.)

III. Improvement of the taxation system

- a) Sodra:
 - i. Combine employee and employer contributions and change the rates accordingly
 - ii. Introduce a „cap“ for all categories of Sodra payers
 - iii. Hand over collection of contributions to the State Tax Inspection
- b) Shorten the statute of limitations for taxes to 3 years
- c) Eliminate reduced VAT rate for central heating
- d) Introduction of new taxes:
 - i. Introduce a universal real estate tax
 - ii. Introduce a universal motor vehicles tax
- e) Improvement of Tax Administration:
 - i. Simplify administration of R&D incentive and investment incentive in order to boost expenditure on R&D and investments
 - ii. Production enterprises need to be allowed to use standard costing for profit tax calculation purposes
- f) Improve taxation of investing activities. CURRENTLY: Investment companies and investment funds are subject to different taxation regimes. Unregulated taxation of ELTIF (European long term investment funds), EuVECA (EU venture capital funds) and EuSEF (EU social entrepreneurship funds):
 - i. Promote establishment of investment vehicles in Lithuania
 - ii. Introduce (the same) state of the art taxation principles for all investment vehicles
- g) Other proposals:
 - i. LEGAL REGULATION:
Strictly follow the 6 month rule when changing tax legislation (prevailing practice breaches the Constitutional doctrine)
 - ii. ADMINISTRATION:
 1. Improve the system of binding rulings:
 - a) Simplicity of the inquiry cannot be a reason to refuse issuance of a ruling
 - b) Regulate the flow of inquiries by a stamp duty
 2. Introduce preliminary real estate tax declarations for individuals and move the deadline to 1 May

TAKING RESPONSIBILITY FOR OUR IMPACT IN THE SOCIETY

As a business association of largest investors in Lithuania, representing collective interests and having an influence on society, we want to play an active role in the public policy debate and do it in a responsible way.

As stated in our Ethics Statement, we regard responsible lobbying as an important and legitimate way to participate in political decision-making processes. We believe that sharing our expertise and communicating our positions significantly contribute to policy-making and are part of our engagement as corporate citizens. Investors' Forum respects the national laws of each of the jurisdictions in which Investors' Forum carries out lobbying activities. Investors' Forum lobbying and advocacy activities are guided by Transparency and Openness.

Investors' Forum does not make any donations as an association to political parties, politicians or candidates for a political office.

Investors' Forum is a member of UN Global Compact.

We continuing cooperation with the regions – advise on investment promotion in Šalčininkai region was carried out during the year 2015.

During the year 2015 Investors' Forum continued to promote business integrity and ethics. We are running the initiative Clear Wave established to unite companies and organisations supporting transparent business practice.

During the year 2015 Investors' Forum together with Clear Wave expanded a joint initiative "No country for Shadow" to 46 Lithuanian cities. The initiative dedicated to raise public awareness about the harmful impact of shadow economy in Lithuania brought together over 400 participants and reached out to 30000 citizens across Lithuania. Business leaders, Government representatives, heads of NGOs, civil society joined together to make it a national day of "Transparency".

Investors' Forum taking care of the "Investors' tree alley" by the Upes Street in Vilnius. Already, 52 trees are blooming up every spring.

We save paper, switch the computer devices when leaving the office, we do promote e-invoicing – all our long-term suppliers send us e-invoices, we don't use Fax and limit using the stamp on the agreements as much as we can. We send e-cards to our Members to greet them with all the celebrations.

We believe that fruitful cooperation is the greatest tool to reach success. Therefore Investors' Forum is open for cooperation and volunteering opportunities.

Investors' Forum has a social program of supporting the Child Care home of Viešvilė. Every year we buy the greeting cards painted by children in Child Care Home and send them during the Christmas time to our partners and friends. The cards painted by children have wishes on the back side of each card. Therefore, during the Annual Awards ceremony of Investors' Forum, the association established one more nomination – "For creativity" with only one nominee: The Group of Children who painted the Cards. They are invited to the event and awarded during the ceremony with the prizes-wishes they've written on the card. The gifts were established by Investors' Forum members: Interrao Lietuva, DSV Transport, Teo, Omnitel, SEB, Biotechpharma and Thermo Fisher Scientific Baltics.

The Executive Director of Investors' Forum Rūta Skyriene is a member of Evaluation Committee of "Verslo švyturys" Business Awards, member of the Court of Honor of the association of Public Relations Agencies, member of the Board of Red Cross in Lithuania. The Head of Strategic Projects Development Andzelika Rusteikiene is a board member of NGO "Teachers School".

Having over 10 years of expertise in CSR Investors' Forum office is delivering lectures on the topic to businesses, NGOs, Governmental institutions, students. As well as presenting Investors' Forum and topics on business environment. Investors' Forum is a partner of Best Employer Study.

INVESTORS' FORUM ACCOUNTS

CURRENCY: EURO

(Eur)

	ASSETS	Note No.	Financial year	Previous financial year
A.	FIXED ASSETS		1 796	1 201
I.	INTANGIBLE ASSETS			
II.	TANGIBLE LONG TERM ASSETS	1	1 796	1 201
III.	FINANCIAL ASSETS			
IV.	OTHER FIXED ASSETS			
B.	CURRENT ASSETS		74 940	43 313
I.	INVENTORY, PREPAYMENTS AND CONTRACTS IN PROGRESS		645	441
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	2	2 583	2 344
III.	OTHER CURRENT ASSETS		14 481	14 481
IV.	CASH AND CASH EQUIVALENTS	3	57 231	26 047
	TOTAL OF ASSETS		76 736	44 514
	EQUITY AND LIABILITIES	Note No.	Financial year	Previous financial year
C.	EQUITY		21 031	9 267
I.	CAPITAL			
II.	PERKAINOJIMO REZERVAS (REZULTATAI)			
III.	RESERVES			
IV.	RETAINED EARNINGS (LOSS)		21 031	9 267
IV.1.	Current year profit (loss)	4	11 764	-33 098
IV.2.	Previous year profit (loss)	4	9 267	42 365
D.	GRANTS AND SUBSIDIES	5	37 025	24 407
E.	AMOUNTS PAYABLE AND LIABILITIES		18 680	10 840
I.	LONG-TERM AMOUNTS PAYABLE AND LIABILITIES			
II.	SHORT-TERM AMOUNTS PAYABLE AND LIABILITIES	6	18 680	10 840
	TOTAL OF EQUITY AND LIABILITIES		76 736	44 514

(Eur)

	ARTICLES	Note No.	Financial year, 2015	Previous financial year, 2014
I.	INCOME		308 757	203 569
1.	Income from services rendered, goods sold	7.1.	74 735	15 410
2.	Financing income		233 970	188 056
2.1.	The funding amounts from the state budget			
2.2.	Other financing income	7.2.	233 970	188 056
3.	Other income	7.3.	52	103
II.	COSTS		296 993	236 667
1.	Services provided, cost of goods sold	8.1.	72 175	13 975
2.	Other costs		0	0
3.	Operating costs	8.2.	224 818	222 692
3.1.	Costs of sales		0	0
3.2.	Labor costs		108 138	122 678
3.3.	Depreciation (amortization)		938	1 120
3.4.	Maintenance of premises		6 044	6 807
3.5.	Communications		1 560	2 159
3.6.	Transport costs		4 500	4 733
3.7.	Asset impairment costs		0	0
3.8.	Other operating costs		81 785	55 768
3.8.1.	Events costs		62 374	42 313
3.8.2.	Non-deductible VAT costs		7 968	6 098
3.8.3.	PR & marketing		1 589	3 944
3.8.4.	Vacation reserve (change)		1 070	-7 022
3.8.5.	Other		8 784	10 435
3.9.	Charity, assistance		120	249
3.10.	Correction of errors (due to earlier periods)		0	0
3.11.	Project "Baltoji banga"		21 733	24 447
3.12.	Other projects			4 731
III.	OPERATING RESULT BEFORE TAX		11 764	-33 098
IV.	PROFIT TAX			
V.	NET OPERATING RESULT		11 764	-33 098

ADMINISTRATION OFFICE

RŪTA SKYRIENĖ

Executive Director
of Investors' Forum

ANDŽELIKA RUSTEIKIENĖ

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