

**TERMS OF REORGANISATION OF  
KAUNO ENERGIJA LIMITED LIABILITY COMPANY  
AND  
PETRAŠIŪNŲ KATILINĖ LIMITED LIABILITY COMPANY**

**BY MERGING PETRAŠIŪNŲ KATILINĖ LIMITED LIABILITY COMPANY WITH  
KAUNO ENERGIJA LIMITED LIABILITY COMPANY**

**Kaunas**

**15 December 2021**

## 1. DEFINITIONS

1.1. Capitalised terms used in these Conditions of Reorganisation shall have the meanings set out below:

- Reorganisation** means the reorganisation by merging Petrašiūnų katilinė limited liability company with Kauno energija limited liability company, carried out in accordance with the Civil Code of the Republic of Lithuania (hereinafter referred to as the Civil Code), the Law on Companies of the Republic of Lithuania (hereinafter referred to as the Law on Companies), and other legal acts of the Republic of Lithuania (hereinafter referred to as the Legal acts).
- Conditions of Reorganisation** means these Conditions of Reorganisation and any supplements or other additions thereto drawn up in accordance with the procedure laid down by the Civil Code and the Law on Companies.
- AB Kauno Energija** means Kauno energija limited liability company, established and operating under the laws of the Republic of Lithuania, company registration number 235014830, VAT code LT350148314, registered headquarters address Raudondvario pl. 84, Kaunas, Republic of Lithuania, its details are collected and stored in the Register of Legal Entities of the Republic of Lithuania.
- AB Petrašiūnų katilinė** means Petrašiūnų katilinė limited liability company, established and operating under the laws of the Republic of Lithuania, company registration number 304217723, VAT code LT100010065618, registered headquarters address R. Kalantos g. 49, Kaunas, Republic of Lithuania, its details are collected and stored in the Register of Legal Entities of the Republic of Lithuania.
- Merged Company** means AB Kauno energija, which will continue its activities after the Reorganisation in accordance with these Conditions of Reorganisation after the merger of AB Petrašiūnų katilinė with it. In the cases when the Conditions of Reorganisation are intended to distinguish AB Kauno energija as a company operating in accordance with the current version of the Articles of Association of AB Kauno energija, its assets, rights, obligations, etc. from the Merged Company acting in accordance with the New version of the Articles of Association, its assets, rights, obligations, etc., the following distinguished terms shall be used: AB Kauno energija and the Merged Company.
- Companies** means AB Petrašiūnų katilinė, which is being reorganised, and AB Kauno energija, which is participating in the reorganisation.
- New version of the Articles of Association** means the new wording of the Articles of Association of the Merged Company, which is attached as Annex 3 to these Conditions of Reorganisation and which will be registered in the Register of Legal Entities of the Republic of Lithuania in accordance with the procedure laid down in these Conditions of Reorganisation and the legal acts.
- Certificate of delivery and acceptance** means the Certificate of Delivery and Acceptance, whereby all the assets, rights and obligations of AB Petrašiūnų katilinė will be transferred to the Merged Company. The execution of the Certificate of Delivery and Acceptance confirms the actual

transfer of the assets, rights and obligations of AB Petrašiūnų katilinė to the Merged Company, unless this is contrary to mandatory provisions of law.

**Date of conclusion of the Conditions of Reorganisation** 15 December 2021

**Completion of Reorganisation** means the end of the day on which the last of these actions is completed:

- (i) the new version of the Articles of Association of the Merged Company, which will continue to operate after the Reorganisation, will be registered in the Register of Legal Entities;
- (ii) AB Petrašiūnų katilinė will be deregistered from the Register of Legal Entities.

- 1.2. Unless specifically stated otherwise, the singular form of a term also implies the plural form, words in one gender also imply the other gender, and words denoting a person include legal and natural persons.
- 1.3. The titles of the articles, the terms of the Conditions of Reorganisation and the names of the sub-paragraphs are for convenience only and shall not affect the interpretation of the Conditions of Reorganisation.
- 1.4. In the Conditions of Reorganisation, reference to laws, specific law or other legal act shall mean the current version of the specific laws or other legal acts of the Republic of Lithuania as at the date of the Conditions of Reorganisation, unless otherwise specified in the Conditions of Reorganisation.

## **2. GENERAL PROVISIONS**

- 2.1. These Conditions of Reorganisation have been drawn up in accordance with the provisions of the Civil Code, the Law on Companies and other legal acts.
- 2.2. In accordance with Article 63(1) of the Law on Companies, these Conditions of Reorganisation set out the main terms and conditions of the Reorganisation of AB Petrašiūnų katilinė, which is being reorganised, and AB Kauno energija, which is participating in the reorganisation, on the basis whereof AB Kauno energija will continue its activities as a Merged Company after the reorganisation under these Conditions of Reorganisation by merging AB Petrašiūnų katilinė with it, which will cease as a legal entity after the Reorganisation.
- 2.3. In accordance with Article 63(1) of the Law on Companies, These Conditions of Reorganisation have been prepared by the Boards of AB Kauno energija and AB Petrašiūnų katilinė. The drafting of the Conditions of Reorganisation was approved at the Extraordinary General Meeting of Shareholders of AB Kauno energija held on 25 November 2021. (Appendix 1) and 26 November 2021 by decision of the sole shareholder of AB Petrašiūnų katilinė (Annex 2).
- 2.4. Taking into account the decision of the Extraordinary General Meeting of Shareholders of AB Kauno energija on 25 November 2021 and the decision of the sole shareholder of AB Petrašiūnų katilinė on 26 November 2021, the interim financial statements of both companies participating in the Reorganisation shall not be drawn up, as the following provisions of the provisions of the Article 65(2)(3) of the Law on Companies are met, i.e.:
  - (i) AB Kauno energija, participating in the reorganisation, whose shares are traded on the regulated market, shall publish its interim financial statements in accordance with the procedure established by the legal acts regulating the securities market on the website [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com) and [www.kaunoenergija.lt/investuotojams/finansines-ataskaitos](http://www.kaunoenergija.lt/investuotojams/finansines-ataskaitos) and shall make them available for access by all the shareholders of the companies being reorganised

- and those participating in the reorganisation, as well as by the interested persons; and
- (ii) AB Kauno energija, as the sole shareholder of the reorganised AB Petrašiūnų katilinė, agrees that the set of interim financial statements of AB Petrašiūnų katilinė shall not be drawn up.
- 2.5. These Conditions of Reorganisation are accompanied by a draft version of the New Articles of Association of the Merged Company (Annex 3).
- 2.6. All assets, rights and obligations of AB Petrašiūnų katilinė will be transferred to the Merged Company. Whereas AB Kauno energija is the sole shareholder of AB Petrašiūnų katilinė and owns 100 (one hundred) per cent of the shares of AB Petrašiūnų katilinė, taking into account the decision of the Extraordinary General Meeting of Shareholders of AB Kauno energija of 25 November 2021 and the decision of the sole shareholder of AB Petrašiūnų katilinė of 26 November 2021, a simplified procedure of the Reorganization will be applied. In accordance with Article 2.103 of the Civil Code and Article 70(1) of the Law on Companies, no assessment of these Conditions of Reorganisation shall be carried out, no report on the assessment of the Conditions of Reorganisation and no written report on the proposed Reorganisation shall be prepared.
- 2.7. In accordance with Article 70(1) of the Law on Companies, the shares of AB Petrašiūnų katilinė, which will cease after the Reorganisation, will not be exchanged for the shares of the Merged Company, and the authorised capital of the Merged Company (AB Kauno energija) will not increase. Accordingly, these Conditions of Reorganisation will not include details of the share exchange ratio and other matters relating to the share exchange, the issue of shares, the payment of the share price differential in cash (Article 63(1)(4) to (6) of the Law on Companies).
- 2.8. As AB Kauno energija is the owner of all shares of AB Petrašiūnų katilinė to be merged, it, as a participant of AB Petrašiūnų katilinė to be reorganised, will not become a participant of the Merged Company that will continue after the reorganisation, and payments will not be made to AB Kauno energija as a participant of AB Petrašiūnų katilinė.
- 2.9. In accordance with Article 2.101(1) of the Civil Code, Article 65(1) of the Law on Companies and the Articles of Association of the Companies, AB Kauno energija and AB Petrašiūnų katilinė will each individually announce the drafted Conditions of Reorganisation once in the electronic publication public announcements of legal entities published by the State Enterprise Centre of Registers and will each individually notify all their creditors in writing.
- 2.10. The Conditions of Reorganisation shall be submitted to the Registrar of Legal Entities not later than on the first day of the public announcement of their conclusion in the source specified in the Articles of Association of the Company and not less than 30 days prior to the decision of the Management Board of AB Kauno energija, participating in the Reorganisation, on the approval of the Conditions of Reorganisation and the New Articles of Association of the Merged Company, adopted on the basis of Article 70 (3) of the Law on Companies.
- 2.11. The Companies shall also make the Conditions of Reorganisation publicly available, free of charge, on their websites [www.kaunoenergija.lt](http://www.kaunoenergija.lt) and [www.kaunoenergija.lt/ab-petrasiunu-katiline](http://www.kaunoenergija.lt/ab-petrasiunu-katiline) throughout the period commencing not later than the first day of the public announcement of the conclusion of the Reorganisation in a source specified in the Articles of Association of the Companies, and ending not earlier than the date of completion of the Reorganisation, and shall indicate the date of publication of the Conditions of Reorganisation on those websites. AB Kauno energija also publishes this information on [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com).
- 2.12. Whereas AB Kauno energija is the sole shareholder of AB Petrašiūnų katilinė, in accordance

with Article 70(1) of the Law on Companies, the managers of the companies shall not notify the shareholders of the respective company of material changes in the assets, rights and obligations from the date of the Conditions of Reorganisation until the meeting of the Board of AB Kauno energija participating in the Reorganisation, the agenda whereof shall include a decision on the adoption of the Conditions of Reorganisation and the approval of the New Articles of Association of the Merged Company.

- 2.13. In accordance with Article 70(3) of the Law on Companies, The Management Board of AB Kauno energija participating in the Reorganisation shall adopt a decision on the Conditions of Reorganisation and approval of the New Articles of Association of the Merged Company not earlier than 30 days after the date when the Registrar of Legal Entities announces the receipt of the Conditions of Reorganisation, provided that within this period no shareholder or shareholders of the company continuing after the Reorganisation (t. AB Kauno energija) requests that a general meeting of shareholders of the company (i.e. AB Kauno energija) whose shares carry at least 1/20 of the total votes, requests that the meeting be convened after the company continuing after the Reorganisation (i.e. General Meeting of Shareholders of AB Kauno energija).
- 2.14. The document confirming the decision to reorganise the Companies shall be submitted to the Registrar of Legal Entities within 5 days at the latest.

### **3. METHOD OF REORGANISATION: LEGAL TERMS OF REORGANISATION. IMPLEMENTATION AND COMPLETION OF THE REORGANISATION**

#### **3.1. Method of reorganisation:**

- 3.1.1. Reorganisation shall be effected by way of a merger as provided for in Article 2.97(3) of the Civil Code, when one legal person is merged with another legal person to which all the rights and obligations of the legal person under reorganisation shall be transferred.
- 3.1.2. The reorganisation corresponds to the case provided for in Article 41(2)(3) of the Law on Corporate Income Tax of the Republic of Lithuania (hereinafter referred to as the Corporate Income Tax Law) when an entity that ceases to exist without going into liquidation (the 'acquired entity') shall transfer all its assets, rights and obligations to another entity holding 100 per cent of its authorised capital (100 per cent of the shares representing its capital) (the 'acquiring entity')..
- 3.1.3. In accordance with Article 42(2) of the Law on Corporate Income Tax, As the Reorganisation meets the Conditions of Reorganisations and disposals set out in Article 41 of the said Law, the increase in the value of the assets disposed of in the Reorganisation is not considered as income of the entity that disposed of the assets. In such a case, the acquisition price of AB Kauno energija, which received ownership of the asset, for corporate tax purposes shall be the acquisition price of this asset which existed prior to the transfer of the asset to AB Petrašiūnų katilinė.

#### **3.2. Legal Conditions of Reorganisation:**

- 3.2.1. The authorised capitals of the Companies (the issue price of the last issue of shares) are fully paid.
- 3.2.2. The Companies have not acquired the status of a company undergoing restructuring, reorganisation, participation in reorganisation, restructuring, bankruptcy or liquidation.
- 3.2.3. The drafting of the Conditions of Reorganisation was approved at the Extraordinary General Meeting of Shareholders of AB Kauno energija held on 25 November 2021 and on 26 November 2021 at AB Petrašiūnų katilinė by decision of the sole shareholder.

- 3.2.4. The Conditions of Reorganisation were prepared by the Boards of Directors of the Companies on 15 December 2021.
- 3.2.5. No valuation of these Conditions of Reorganisation shall be carried out, no report on the valuation of the Conditions of Reorganisation and no written report on the proposed Reorganisation shall be prepared, and no set of interim financial statements of the Companies shall be prepared.
- 3.3. Execution and completion of Reorganisation:
- 3.3.1. The Conditions of Reorganisation shall be published in the manner and at the times and in the manner set out in clauses 2.9 and 2.10 of the Conditions of Reorganisation. The advertisement and the notice shall contain the following particulars and information on where the documents listed in point 3.3.2 of the Conditions of Reorganisation may be consulted:
- 3.3.1.1. the information provided for in Article 2.44 of the Civil Code about the Companies;
  - 3.3.1.2. Method of Reorganisation;
  - 3.3.1.3. The companies that will continue after the Reorganisation;
  - 3.3.1.4. The moment from which the assets, rights and obligations of AB Petrašiūnų katilinė are transferred to AB Kauno energija.
- 3.3.2. No later than 30 days before the approval of the decision of the Board of AB Kauno energija involved in the Reorganisation on the Conditions of Reorganisation and the new version of the Articles of Association of the Merged Company, the Company's shareholders and creditors will be given access to the following documents at the Company's registered offices and on the Company's websites [www.kaunoenergija.lt](http://www.kaunoenergija.lt) and [www.kaunoenergija.lt/ab-petrasiunu-katiline](http://www.kaunoenergija.lt/ab-petrasiunu-katiline), respectively:
- 3.3.2.1. Conditions of Reorganisation;
  - 3.3.2.2. New version of the Articles of Association of the Merged Company;
  - 3.3.2.3. Sets of annual financial statements, annual reports of AB Kauno energija for the last three years;
  - 3.3.2.4. Annual financial statements of AB Petrašiūnų katilinė for the last three years.
- 3.3.3. The shareholders can download the documents referred to in Clause 3.3.2 of the Conditions of Reorganisation free of charge from the website of AB Kauno energija [www.kaunoenergija.lt](http://www.kaunoenergija.lt) and the website of AB Petrašiūnų katilinė [www.kaunoenergija.lt/ab-petrasiunu-katiline](http://www.kaunoenergija.lt/ab-petrasiunu-katiline) and to print or receive copies of the aforementioned documents free of charge from the registered offices of the Companies for the whole period of time specified in Clause 2.10 of the Conditions of Reorganisation.
- 3.3.4. Proposals regarding the Conditions of Reorganisation may be submitted by the Supervisory Board of AB Kauno energija, the Management Boards of the Companies, the managers and shareholders, whose nominal value of the shares of the respective Company is at least 1/3 of the authorised capital.
- 3.3.5. The Conditions of Reorganisation shall be submitted to the manager of the Register of Legal Entities of the Republic of Lithuania no later than on the first day of the public announcement of their conclusion in an electronic publication for public notices published by the manager of the Register of Legal Entities of the Republic of Lithuania.
- 3.3.6. From the date of the public announcement of the conclusion of the Conditions of

Reorganisation, AB Petrašiūnų katilinė acquires the legal status of the company being reorganised, and AB Kauno energija acquires the legal status of the company participating in the reorganisation.

- 3.3.7. The creditors of the companies may submit their claims from the first day of publication of the Conditions of Reorganisation until the approval of the decision of the Board of AB Kauno energija participating in the Reorganisation regarding the Conditions of Reorganisation and the approval of the New version of the Articles of Association of the Merged Company.
- 3.3.8. The Reorganisation decision shall be made no earlier than 30 days after the date on which the Registrar of Legal Entities publishes the Conditions of Reorganisation received, provided that, within that period, none of the shareholder or shareholders companies continuing after the Reorganisation (i.e. AB Kauno energija), whose shares represent at least 1/20 of all votes, request that a general meeting of shareholders of the company (i.e. AB Kauno energija) which will continue after the Reorganization, will adopt also the Conditions of Reorganisation and the new version of the Articles of Association of the Merged Company continuing after the Reorganisation will be approved by the Board of AB Kauno energija involved in the Reorganisation.
- 3.3.9. The document confirming the Reorganisation decision will be submitted to the Registrar of Legal Entities no later than 5 days after its adoption.
- 3.3.10. The reorganization will be completed, subject to the fulfilment of all the following conditions:
- i) The new version of the Articles of Association of the Merged Company will be registered in the Register of Legal Entities;
  - ii) AB Petrašiūnų katilinė will be deregistered from the Register of Legal Entities.

#### **4. INFORMATION ON THE COMPANIES AND THE COMPANY THAT WILL CONTINUE AFTER THE COMPLETION OF THE REORGANISATION**

- 4.1. AB Kauno energija is a company participating in the Reorganisation, i.e. AB Kauno energija will continue as a Merged Company after AB Petrašiūnų katilinė is merged to it. Key data of AB Kauno energija:

	<b>Description</b>
Name of legal entity	Open Limited Liability Company Kauno energija
Legal form of the legal entity	Limited Liability Company
Registered office of a legal person	Raudondvario pl. 84, Kaunas, Republic of Lithuania
Number of legal entity	235014830
Register in which data about a legal entity is collected and stored	Register of Legal Entities of the Republic of Lithuania
Value added tax payer's code	LT350148314
Authorised capital	EUR 74,475,728.82 (seventy four million four hundred seventy five one thousand seven hundred twenty eight EUR 82 EUR ct)
Amount of paid-up authorised capital	EUR 74,475,728.82 (seventy four million four hundred seventy five one thousand seven hundred twenty eight EUR 82 EUR ct)

Number of shares	42,802,143 (forty two million eight one hundred two thousand one hundred forty three)
Nominal value of one share	EUR 1.74 (one euro 74 euro cents)
Class of shares	Ordinary registered shares
Type of shares	Intangible shares
Stock exchange on which the shares are traded	NASDAQ Vilnius
Securities account manager	AB SEB bank
Duration of the legal entity	Unlimited
Financial Year of a Legal Person	Calendar year

4.2. AB Petrašiūnų katilinė is a company under reorganisation, which will be merged into AB Kauno energija during the Reorganisation, which will continue its activities as a Merged Company after the Reorganisation. After the Reorganisation, AB Petrašiūnų katilinė will cease to operate as a legal entity. Key data for AB Petrašiūnų katilinė:

	<b>Description</b>
Name of legal entity	Open Limited Liability Company Petrašiūnų katilinė
Legal form of the legal entity	Limited Liability Company
Registered office of a legal person	R. Kalantos g. 49, Kaunas, Republic of Lithuania
Number of legal entity	304217723
Register in which data about a legal entity is collected and stored	Register of Legal Entities of the Republic of Lithuania
Value added tax payer's code	LT100010065618
Authorised capital	EUR 231,696.00 (two hundred thirty one thousand six hundred ninety six euro)
Amount of paid-up authorised capital	EUR 231,696.00 (two hundred thirty one thousand six hundred ninety six euro)
Number of shares	800 (eight hundred)
Nominal value of one share	EUR 289.62 (two hundred eighty nine euro sixty two cents)
Class of shares	Ordinary registered shares
Type of shares	Intangible shares
Stock exchange on which the shares are traded	Not traded
Securities account manager	AB Šiaulių Bankas
Duration of the legal entity	Unlimited
Financial Year of a Legal Person	Calendar year

4.3. Details of the Merged Company that will continue to operate after completion of the Reorganisation:

	<b>Description</b>
Name of legal entity	Open Limited Liability Company Kauno energija
Legal form of the legal entity	Limited Liability Company
Registered office of a legal person	Raudondvario pl. 84, Kaunas, Republic of Lithuania
Number of legal entity	235014830
Register in which data about a legal entity is collected and stored	Register of Legal Entities of the Republic of Lithuania



Value added tax payer's code	LT350148314
Authorised capital	EUR 74,475,728.82 (seventy four million four hundred seventy five thousand seven hundred twenty eight EUR 82 EUR ct)
Amount of paid-up authorised capital	EUR 74,475,728.82 (seventy four million four hundred seventy five thousand seven hundred twenty eight EUR 82 EUR ct)
Number of shares	42,802,143 (forty two million eight hundred two thousand one hundred forty three)
Nominal value of one share	EUR 1.74 (one euro 74 euro cents)
Class of shares	Ordinary registered shares
Type of shares	Intangible shares
Stock exchange on which the shares are traded	NASDAQ Vilnius
Securities account manager	AB SEB bank
Duration of the legal entity	Unlimited
Financial Year of a Legal Person	Calendar year

- 4.4. Following the Reorganisation provided for in these Conditions of Reorganisation, i.e. the merger of AB Petrašiūnų katilinė with AB Kauno energija, the Merged Company will continue as a legal entity.
- 4.5. AB Petrašiūnų katilinė will cease as a legal entity and all the assets, rights and obligations of AB Petrašiūnų katilinė will be transferred to the Merged Company. After the Reorganisation, pursuant to these Conditions of Reorganisation, the assets, rights and obligations of the Merged Company will consist of the assets, rights and obligations of AB Kauno energija and the assets, rights and obligations of AB Petrašiūnų katilinė. The Merged Company, which after the Reorganisation will continue as a legal entity, will take over all the assets, rights and obligations of AB Petrašiūnų katilinė, including the assets, rights and obligations not provided for in the financial documents of AB Petrašiūnų katilinė.
- 5. THE POINT IN TIME FROM WHICH THE RIGHTS AND OBLIGATIONS OF THE COMPANY WHICH CEASES TO EXIST AFTER THE REORGANISATION, AS WELL AS THE RIGHTS AND OBLIGATIONS UNDER THE TRANSACTIONS, ARE TRANSFERRED TO THE COMPANY WHICH WILL CONTINUE AFTER THE REORGANISATION, AND THE TRANSACTIONS ENTERED IN THE COMPANY'S BOOKS**
- 5.1. After the Reorganisation, the Merged Company will take over all assets, rights and obligations of AB Petrašiūnų katilinė, including the unpaid amounts due to the budget of the State Social Insurance Fund, the amounts assessed by the tax administrator and other state institutions, including fines and penalties (if any) to the State budget of the Republic of Lithuania and municipal budgets and funds, all environmental obligations to the State, pollution permits and related documentation, as well as the assets, rights and obligations of the terminating AB Petrašiūnų katilinė that are not reflected in the financial reporting documents of AB Petrašiūnų.
- 5.2. The Merged Company will take over the assets, rights and obligations of AB Petrašiūnų katilinė in accordance with the Certificate of Delivery and Acceptance, which shall be signed and enter into force on the date of registration of the new version of the Articles of Association in the Register of Legal Entities of the Republic of Lithuania.
- 5.3. The Certificate of Delivery and Acceptance shall be signed by the respective heads of AB Petrašiūnų katilinė and AB Kauno energija or their duly authorised representatives.
- 5.4. The assets, rights and obligations of AB Petrašiūnų katilinė will be transferred in accordance with the current financial data of AB Petrašiūnų katilinė at the time of the transfer, taking into

account the changes in the business activities of AB Petrašiūnų katilinė and the depreciation of fixed assets up to the date of transfer. The assets, rights and obligations of AB Petrašiūnų katilinė will be transferred at their balance sheet value.

5.5. Transfer of assets, rights and obligations of AB Petrašiūnų katilinė:

- 55.1. The assets, rights and obligations of AB Petrašiūnų katilinė shall be transferred to the Merged Company as of the moment of the entry into force of the Certificate of Delivery and Acceptance, and as of the calendar day following the day of the entry into force of the Certificate of Delivery and Acceptance, shall be deemed to be the property, rights and obligations of the Merged Company, and the transactions on the basis of which the rights and obligations of AB Petrašiūnų katilinė have arisen shall be included in the accounting of the Merged Company, unless otherwise provided for by mandatory legal provisions or these Conditions of Reorganisation;
- 55.2. The contracts of AB Petrašiūnų katilinė shall be deemed to be the contracts of the Merged Company after the Reorganisation as of the calendar day following the date of the Certificate of Delivery and Acceptance, unless mandatory legal provisions or these Conditions of Reorganisation provide otherwise;
- 55.3. Real estate of AB Petrašiūnų katilinė, including but not limited to buildings, premises, construction in progress, rights *in rem* in immovable property, as well as all rights registrable by law, including but not limited to ownership and lease of buildings, premises, land, other property specially registered by law, as well as all other rights registrable by law, including but not limited to intellectual property rights (names of legal entities, trademarks, patents, industrial design, etc.) shall be transferred to and vested in the Merged Company as from the calendar day following the date of entry into force of the Certificate of Delivery and Acceptance, unless mandatory legal provisions or these Conditions of Reorganisation provide otherwise;
- 55.4. The registration of restrictions on the rights to the assets of AB Petrašiūnų katilinė to be registered in accordance with the law, as well as the assumption of the obligations of AB Petrašiūnų katilinė in relation to the assets to be registered and other obligations to be registered in accordance with the law, shall be registered, if such registration is required by the mandatory provisions of law. The restrictions on such rights to registered assets, the obligations relating to the registered assets and other obligations whose registration is provided for by mandatory provisions of law shall pass to the Merged Company after the Reorganisation as from the calendar day following the date of the entry into force of the Certificate of Delivery and Acceptance, unless otherwise provided for by mandatory provisions of law or by the present Conditions of Reorganisation;
- 55.5. The Merged Company shall take over the mortgage claims, claims arising from the pledge of assets, and all other rights related to the mortgage or pledge of assets of AB Petrašiūnų katilinė as of the next calendar day after the date of entry into force of the Certificate of Delivery and Acceptance, unless otherwise provided by mandatory provisions of law or the Conditions of Reorganisation;
- 55.6. The Merged Company shall take over all rights and obligations of AB Petrašiūnų katilinė in all court, arbitration or other legal proceedings involving AB Petrašiūnų katilinė as of the next calendar day after the date of entry into force of the Certificate of Delivery and Acceptance, unless otherwise provided by mandatory provisions of law or these Conditions of Reorganisation;
- 55.7. The right to manage, use and dispose of the funds in the cash and bank accounts of AB Petrašiūnų katilinė and bank accounts shall be transferred to the Merged Company, or such accounts shall be closed and the funds therein shall be transferred to the accounts

of the Merged Company, as of the calendar day following the effective date of the Certificate of Delivery and Acceptance, unless otherwise provided for by mandatory statutory provisions or these Conditions of Reorganisation;

- 5.5.8. The Merged Company shall assume all other rights and obligations of AB Petrašiūnų katilinė, including, but not limited to, rights and obligations not reflected in the financial statements of AB Petrašiūnų katilinė, as well as all tax rights and obligations, including but not limited to, rights and obligations, which may become apparent to the tax administration or other state authorities as a result of the assessment, in accordance with the procedure established by law, of arrears of taxes or other contributions, fines and penalties for the activities of AB Petrašiūnų katilinė up to the date of the deregistration of AB Petrašiūnų katilinė in accordance with the procedure established by law. The aforementioned rights and obligations, including the rights and obligations not reflected in the financial statements of AB Petrašiūnų katilinė, shall be transferred as of the calendar day following the date of entry into force of the Certificate of Delivery and Acceptance. Any rights and obligations that may arise after the entry into force of the Certificate of Delivery and Acceptance shall be deemed to have passed to the Merged Company;
- 5.5.9. The employment contracts concluded by AB Petrašiūnų katilinė shall be transferred to the Merged Company that will continue its activities after the Reorganisation and shall be taken over by the Merged Company as of the next calendar day after the date of entry into force of the Certificate of Delivery and Acceptance. From this moment on, it shall be deemed that, pursuant to Article 51 of the Labour Code of the Republic of Lithuania, the employment relations of the employees of AB Petrašiūnų katilinė continues after the reorganisation in the Merged Company under the same conditions as provided for in their employment contracts with AB Petrašiūnų katilinė, unless the said employees and the Merged Company agree otherwise;
- 5.5.10. The Merged Company reserves the right to carry out any economic, technological or structural adjustments of the Merged Company it deems necessary and/or desirable and to terminate employment contracts for economic, technological or workplace structural adjustments or for similar important reasons, in accordance with the laws of the Republic of Lithuania.
- 5.5.11. These Conditions of Reorganisation and the Certificate of Delivery and Acceptance will constitute a sufficient legal basis for the registration and re-registration of the assets, rights and obligations of AB Petrašiūnų katilinė transferred to the Merged Company continuing the Reorganisation Activities, for the change of certificates and necessary data in the registers and in any other companies, institutions and institutions.
- 5.6 The creation and publication of Conditions of Reorganisation shall not restrict the right of the Companies to carry out the activities provided for in the Articles of Association.
- 5.7 AB Kauno energija, when entering into transactions during the period from the announcement of the Conditions of Reorganisation until the completion of the Reorganisation, will inform the other party to the transaction about its legal status.
- 5.8 AB Petrašiūnų katilinė, when concluding transactions during the period from the announcement of the Conditions of Reorganisation until the completion of the Reorganisation, shall inform the other party to the transaction about its legal status and the transfer of rights and/or obligations to AB Kauno energija under the present Conditions of Reorganisation.

## **6. RIGHTS OF SHAREHOLDERS, BOTH ECONOMIC AND NON-ECONOMIC, IN**

## **THE COMPANY FOLLOWING THE REORGANISATION**

6.1. After the merger of AB Petrašiūnų katilinė into AB Kauno energija, the shareholders of the Merged Company will have the property and non-property rights provided for in the Civil Code, the Law on Companies, other legal acts and the New Articles of Association of the continuing Merged Company.

## **7. TERMINATION OF THE POWERS OF THE MANAGEMENT BODIES OF THE COMPANY BEING REORGANISED AND THE RIGHTS CONFERRED ON MEMBERS OF THE BODIES OF COMPANIES DURING THE REORGANISATION PERIOD**

7.1. The governing bodies of the Companies shall, during the Reorganisation, have all the rights conferred on them by the laws of the Republic of Lithuania, the Articles of Association of the Companies, and the agreements entered into, except for the limitations of the rights (if any) provided for in these Conditions of Reorganisation. No additional rights shall be granted to the persons mentioned above.

7.2. The directors of the Companies shall, during the Reorganisation, be guided by the Civil Code, the Law on Companies and the Articles of Association of the Companies:

7.2.1. direct and control the progress of the Reorganisation of the relevant Company;

7.2.2. ensure that the following Conditions of Reorganisation are submitted to the Registrar of Legal Entities of the Republic of Lithuania in accordance with the procedure established by law;

7.2.3. ensure that, in accordance with the procedure laid down by laws and these Conditions of Reorganisation, the Conditions of Reorganisation drawn up are made public once and notified to all creditors of the respective Company in writing (by registered letter or against signature confirmation);

7.2.4. make available to the shareholders and creditors of the Companies, in accordance with the procedure established by law, the Conditions of Reorganisation, the New Articles of Association of the Merged Company, the annual accounts and annual reports of the Companies for the last three years and other documents provided for in the Law on Companies;

7.2.5. decide on the provision of additional security for the obligations of the Company concerned to any creditor who so requests;

7.2.6. ensure that the decision of the Board of AB Kauno energija participating in the Reorganisation regarding the Conditions of Reorganisation and the approval of the new version of the Articles of Association of the Merged Company is submitted to the Registrar of Legal Entities of the Republic of Lithuania in accordance with the procedure established by law;

7.2.7. take care of the transfer of the assets, rights and obligations of AB Petrašiūnų katilinė, as applicable, to the Merged Company after the Reorganisation, conclude and sign or authorise other persons to sign the Certificate of Delivery and Acceptance, in accordance with the terms, conditions, procedures and deadlines set out in these Conditions of Reorganisation;

7.2.8. shall be responsible for adequate additional security of obligations in accordance with the procedure established by legal acts to each creditor of the respective Company who so requests;

7.2.9. enter into transactions in the name and on behalf of and in the interests of the relevant Company until the completion of the Reorganisation;

7.2.10. take such other decisions and perform such other acts as may be provided for in these

Conditions of Reorganisation, decisions of the General Meeting of Shareholders and the Legal Acts.

- 7.3. Head of AB Kauno energija, in accordance with the Civil Code, the Law on Companies and the Company's Articles of Association shall:
  - 7.3.1. sign or authorise other persons to sign the New Articles of Association of the Merged Company;
  - 7.3.2. submit or authorise other persons to submit to the notary office and the Registrar of Legal Entities of the Republic of Lithuania the New Articles of Association of the Merged Company;
  - 7.3.3. take other decisions and perform other actions provided for in these Conditions of Reorganisation, relevant decisions of the General Meeting of Shareholders and/or the Board of Directors of AB Kauno energija, as well as in the Legal Acts.
- 7.4. According to the wording of the Articles of Association of AB Petrašiūnų katilinė in force on the date of the conclusion of the Conditions of Reorganisation, the bodies of the company are the General Meeting of Shareholders, the board of directors (elected from among 3 members) and the chief executive officer (the director). The powers of the Board (including its members) and the Manager will expire on the date of deregistration of AB Petrašiūnų katilinė from the Register of Legal Entities.
- 7.5. According to the wording of the Articles of Association of AB Kauno energija in force on the date of conclusion of the Conditions of Reorganisation, the bodies of the company are the General Meeting of Shareholders, the supervisory board (elected from 7 members), the board of directors (elected from 5 members), and the chief executive officer (general director).
- 7.6. After the completion of the Reorganisation, the structure of the bodies of the company participating in the Reorganisation will not change, and the collegiate bodies and the chief executive officer will continue to operate with the same composition.
- 7.7. The current supervisory and management bodies (members thereof) of AB Kauno energija after the Reorganisation will perform the duties of the management bodies (members thereof) of the Merged Company, unless the bodies of the Merged Company decide otherwise in accordance with their competence.

## **8. FINAL PROVISIONS**

- 8.1. The Reorganisation provided for in these Conditions of Reorganisation may be terminated subject to the existence of additional security for the performance of the obligations of the creditors who have requested it (if such creditors had the right to request it), or to the existence of a final judgment of a court declaring that the claims of the creditors for the provision of the additional security are unsatisfiable, if such a condition for the termination of the Reorganisation is provided for by mandatory legal provisions.
- 8.2. All costs associated with the Reorganisation, including but not limited to the deregistration of AB Petrašiūnų katilinė in accordance with the procedure established by law, shall be borne by AB Kauno energija.
- 8.3. Any matters not addressed in these Conditions of Reorganisation relating to the Reorganisation shall be resolved in accordance with the procedure set out in the Laws.
- 8.4. These Conditions of Reorganisation are drawn up in 5 copies in the Lithuanian language.

## **9. ANNEXES TO THE CONDITIONS OF REORGANISATION**

Annex 1 – Extract from the minutes of the Extraordinary General Meeting of Shareholders of AB Kauno energija of 25 November 2021.

Annex 2 – Decision of the sole shareholder of AB Petrašiūnų katilinė of 26 November 2021.

Annex 3 – New wording of the Articles of Association of the Merged Company (draft).

**Board of AB Kauno energija**

Algimantas Stasys Anužis

Paulius Keras

Karolis Dekeris

Nerijus Mordas

Karolis Šiugžda

**Board of AB Petrašiūnų katilinė**

Vytautas Macionis

Kęstutis Buinevičius

Algimantas Stasys Anužis

## DECISION

### OF THE BOARD OF KAUNO ENERGIJA LIMITED LIABILITY COMPANY ON THE APPROVAL OF THE REORGANISATION OF PETRAŠIŪNŲ KATILINĖ LIMITED LIABILITY COMPANY BY MERGING IT WITH KAUNO ENERGIJA LIMITED LIABILITY COMPANY

26 November 2021 No 2021-22-1

Kaunas

In accordance with Article 20 (1) (22), Article 34 (4) (8), Article 63 (1) of the Law on Companies of the Republic of Lithuania, point 75 of the Articles of Association of AB Kauno energija, point 37 of the Rules of Procedure of the Board of AB Kauno energija, AB Kauno energija Board, exercising the functions of the sole shareholder of AB Petrašiūnų katilinė, hereby d e c i d e s:

1. To approve the reorganisation of the limited liability company Petrašiūnų katilinė by way of merger, by merging the limited liability company Petrašiūnų katilinė (company code 304217723), which after the reorganisation will cease its as a legal entity, to the limited liability company Kauno energija (company code 235014830), which is participating in the reorganisation, and which will continue after the reorganisation, and to instruct the Management Board of the limited liability company Petrašiūnų katilinė to prepare and publish the terms and conditions of the reorganisation in accordance with the procedure laid down by law, also to carry out the other actions necessary for the implementation of this decision, without preparing any interim sets of financial statements.

2. Whereas the limited liability company Kauno energija is the sole shareholder of limited liability company Petrašiūnų katilinė, the reorganisation by way of merger of limited liability company Kauno energija and limited liability company Petrašiūnų katilinė shall be carried out in accordance with the procedure set out in Article 70 of the Law of the Republic of Lithuania on Companies (the Law), i.e., without carrying out an assessment of the conditions of the reorganisation by way of merger and without preparing the report on the assessment of the conditions of the merger reorganisation and the Board's written report on the reorganisation.

3. Without convening a general meeting of shareholders in the case provided for in Article 70(2) of the Law, the decision on the reorganisation by way of merger, which will approve the terms and conditions of the reorganisation and amend the Articles of Association of AB Kauno energija, which will continue after the reorganisation, shall be taken by the Management Board of the AB Kauno energija, which will continue to operate after the reorganisation, upon the expiration of the period referred to in paragraph 2(3) of the present Article.

The draft terms and conditions of the reorganisation of the limited liability company Kauno energija and the limited liability company Petrašiūnų katilinė will be available for access in the manner and within the time limits established by the Law of the Republic of Lithuania on Companies on the websites [www.kaunoenergija.lt](http://www.kaunoenergija.lt), [www.kaunoenergija.lt/ab-petrasiunu-katiline](http://www.kaunoenergija.lt/ab-petrasiunu-katiline), and [www.nasdaq.lt](http://www.nasdaq.lt), and at the registered offices of the companies: registered office of the limited liability company Kauno energija at Raudondvario pl. 84, Kaunas, and at the registered office of the limited liability company Petrašiūnų katilinė at R. Kalantos g. 49, Kaunas.

Chairman of the Board  
Board members:

Nerijus Mordas  
Karolis Šiugžda  
Paulius Keras  
Karolis Dekeris  
Algimantas Stasys Anužis

**THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF  
SHAREHOLDERS OF AB KAUNO ENERGIJA**

25 November 2021

Kaunas

Total number of shares (votes) in AB Kauno energija – 42 802 143 (forty two million eight hundred two thousand one hundred forty three) Units of ordinary registered uncertificated shares.  
Nominal value of one share – 1.74 EUR (one euro 74 ct).

The Extraordinary General Meeting of Shareholders considered and decided as follows:

**1. DISCUSSED.** *On approval of the participation of the Kauno energija limited liability company in the reorganisation by merger of the Kauno energija limited liability company with the Petrašiūnų katilinė limited liability company*

***1 draft decision***

To approve the participation of public limited liability company Kauno energija in the reorganisation by way of merger with public limited liability company Kauno energija (reg. No 235014830), which will continue its activities after the reorganisation, with public limited liability company Petrašiūnų katilinė (reg. No 304217723), which after the reorganisation will cease its activities as a legal entity, to instruct the management board of public limited liability company Kauno energija to draw up and publish the terms and conditions of the reorganisation in accordance with the procedure established by the legislation, and to carry out other actions necessary for the implementation of this decision, without preparation of any interim sets of financial statements.

Results of the shareholders vote: 42 089 511 votes in favour and none votes against.  
*The resolution was passed.*

***2 draft decision***

Whereas public limited liability company Kauno energija is the sole shareholder of public limited liability company Petrašiūnų katilinė, the reorganisation by merger of public limited liability company Kauno energija and public limited liability company Petrašiūnų katilinė shall be carried out in accordance with the procedure set out in Article 70 of the Law on Companies of the Republic of Lithuania (hereinafter the “Law”), i.e., without carrying out an assessment of conditions of reorganisation by way of merger and without preparing an assessment of conditions of reorganisation by way of merger and a written report.

Results of the shareholders vote: 42 089 511 votes in favour and none votes against.  
*The resolution was passed.*

***3 draft decision***

Without convening a general meeting of shareholders in the case provided for in Article 70(2) of the Law, the decision on the reorganisation by way of merger, which will approve the terms and conditions of the reorganisation and amend the Articles of Association of AB Kauno energija, which will continue after the reorganisation, shall be taken by the Management Board of the AB Kauno energija, which will continue to operate after the reorganisation, upon the expiration of the period referred to in paragraph 2(3) of the present Article.



Results of the shareholders vote: 42 089 511 votes in favour and none votes against.

*The resolution was passed.*

**DECIDED:**

1. To approve the participation of public limited liability company Kauno energija in the reorganisation by way of merger with public limited liability company Kauno energija (reg. No 235014830), which will continue its activities after the reorganisation, with public limited liability company Petrašiūnų katilinė (reg. No 304217723), which after the reorganisation will cease its activities as a legal entity, to instruct the management board of public limited liability company Kauno energija to draw up and publish the terms and conditions of the reorganisation in accordance with the procedure established by the legislation, and to carry out other actions necessary for the implementation of this decision, without preparation of any interim sets of financial statements.
2. Whereas public limited liability company Kauno energija is the sole shareholder of public limited liability company Petrašiūnų katilinė, the reorganisation by merger of public limited liability company Kauno energija and public limited liability company Petrašiūnų katilinė shall be carried out in accordance with the procedure set out in Article 70 of the Law on Companies of the Republic of Lithuania (hereinafter the “Law”), i.e., without carrying out an assessment of conditions of reorganisation by way of merger and without preparing an assessment of conditions of reorganisation by way of merger and a written report.
3. Without convening a general meeting of shareholders in the case provided for in Article 70(2) of the Law, the decision on the reorganisation by way of merger, which will approve the terms and conditions of the reorganisation and amend the Articles of Association of AB Kauno energija, which will continue after the reorganisation, shall be taken by the Management Board of the AB Kauno energija, which will continue to operate after the reorganisation, upon the expiration of the period referred to in paragraph 2(3) of the present Article.

Director General  
Tomas Garasimavičius

Copy is true  
Director General  
Tomas Garasimavičius  
2021-12-13

V. Macionis, tel. 868740264, ei. p. v.macionis@kaunoenergija.lt

## DECISION

### OF THE BOARD OF KAUNO ENERGIJA LIMITED LIABILITY COMPANY ON THE APPROVAL OF THE REORGANISATION OF PETRAŠIŪNŲ KATILINĖ LIMITED LIABILITY COMPANY BY MERGING IT WITH KAUNO ENERGIJA LIMITED LIABILITY COMPANY

26 November 2021 No 2021-22-1

Kaunas

In accordance with Article 20 (1) (22), Article 34 (4) (8), Article 63 (1) of the Law on Companies of the Republic of Lithuania, point 75 of the Articles of Association of AB Kauno energija, point 37 of the Rules of Procedure of the Board of AB Kauno energija, AB Kauno energija Board, exercising the functions of the sole shareholder of AB Petrašiūnų katilinė, hereby d e c i d e s:

1. To approve the reorganisation of the limited liability company Petrašiūnų katilinė by way of merger, by merging the limited liability company Petrašiūnų katilinė (company code 304217723), which after the reorganisation will cease its as a legal entity, to the limited liability company Kauno energija (company code 235014830), which is participating in the reorganisation, and which will continue after the reorganisation, and to instruct the Management Board of the limited liability company Petrašiūnų katilinė to prepare and publish the terms and conditions of the reorganisation in accordance with the procedure laid down by law, also to carry out the other actions necessary for the implementation of this decision, without preparing any interim sets of financial statements.

2. Whereas the limited liability company Kauno energija is the sole shareholder of limited liability company Petrašiūnų katilinė, the reorganisation by way of merger of limited liability company Kauno energija and limited liability company Petrašiūnų katilinė shall be carried out in accordance with the procedure set out in Article 70 of the Law of the Republic of Lithuania on Companies (the Law), i.e., without carrying out an assessment of the conditions of the reorganisation by way of merger and without preparing the report on the assessment of the conditions of the merger reorganisation and the Board's written report on the reorganisation.

3. Without convening a general meeting of shareholders in the case provided for in Article 70(2) of the Law, the decision on the reorganisation by way of merger, which will approve the terms and conditions of the reorganisation and amend the Articles of Association of AB Kauno energija, which will continue after the reorganisation, shall be taken by the Management Board of the AB Kauno energija, which will continue to operate after the reorganisation, upon the expiration of the period referred to in paragraph 2(3) of the present Article.

The draft terms and conditions of the reorganisation of the limited liability company Kauno energija and the limited liability company Petrašiūnų katilinė will be available for access in the manner and within the time limits established by the Law of the Republic of Lithuania on Companies on the websites [www.kaunoenergija.lt](http://www.kaunoenergija.lt),

[www.kaunoenergija.lt/ab-petrasiunu-katiline](http://www.kaunoenergija.lt/ab-petrasiunu-katiline), and [www.nasdaq.lt](http://www.nasdaq.lt), and at the registered offices of the companies: registered office of the limited liability company Kauno energija at Raudondvario pl. 84, Kaunas, and at the registered office of the limited liability company Petrašiūnų katilinė at R. Kalantos g. 49, Kaunas.

Chairman of the Board  
Board members:

Nerijus Mordas  
Karolis Šiugžda  
Paulius Keras  
Karolis Dekeris  
Algimantas Stasys Anužis

**KAUNO ENERGIJA LIMITED LIABILITY COMPANY**  
**ARTICLES OF ASSOCIATION**

This new wording of the Articles of Association of the Kauno energija limited liability company has been approved by the decision of the Board of the Kauno energija limited liability company on [date], by which the Kauno energija limited liability company was reorganised by way of merger, i.e. by merging the Kauno energija limited liability company, as the company participating in the reorganisation and which after the reorganisation continues its activity as a legal person, with the Petrašiūnų katilinė limited liability company, as the company being reorganised, which after the reorganisation shall cease as a legal person and will be deregistered.

Since Kauno energija limited liability company is the sole shareholder of Petrašiūnų Katilinė Limited liability Company, in accordance with Article 2.103 of the Civil Code of the Republic of Lithuania and Article 70(1) of the Law on Companies of the Republic of Lithuania, as well as with other legal acts, a simplified reorganisation procedure was applied to this reorganisation by way of merger.

After the reorganisation, the Kauno energija limited liability company shall continue its activities, the authorised capital, the value of the shares, their number, the objectives and object of the company's activities, the organs of the company and their competences and other matters provided for in the Articles of Association shall remain unchanged. Upon the merger of the Petrašiūnų katilinė limited liability company with the Kauno energija limited liability company, all assets, rights and obligations of the Petrašiūnų katilinė limited liability company shall be taken over by the Kauno energija limited liability company, which will continue its activities after the reorganisation.

**I. GENERAL PROVISIONS**

1. Public Limited Liability Company “Kauno Energija” (hereinafter – the Company) is an enterprise, which divided the authorized capital into parts, referred to as the shares. The Company

carries on its activities pursuant to the Civil Code of the Republic of Lithuania, the Law on Companies, other legal acts of the Republic of Lithuania and these Statutes as well.

2. The Company is a private legal person with limited civil liability that has economic, financial, organizational and legal independence, bank accounts and independent Balance Sheet. Shareholders are responsible for Company's liabilities with the sum that must pay for shares.

3. Company's legal form is public limited liability company. Abbreviation of Company's title is Kauno Energija, PLLC. The Company does not use stamp in its activities, and signed documents and transactions are valid without a stamp.

4. The Company shall have or obtain any civil rights and liabilities except of those, for start-up of which the features of natural person such as gender, age relationship is necessary. Company's suability shall not be restricted in any other way than by the essentials and order determined by the legislation of the Republic of Lithuania. The Company can restrict its' suability only by the decision of the court.

5. The Company's fiscal year shall be the calendar year.

6. The Company has been established for an indefinite term of duration.

7. Company's name and legal form according to registration certificate, residence address, Company's code, register of legal entities that gathers and stores Company's information, VAT payer code, the word "liquidated" previous to its' name if the Company is liquidated, are indicated in Company's website and documents that are used if the relationship with other subjects is present. When Company mentions its' capital in Company's documents, the amount of authorised capital and the amount of paid authorised capital shall be indicated.

8. Company's legal form, residence, register of legal entities that gathers and stores information on legal person, Company's code and address of the Branch (Representative office), contact information, code of the Branch and other necessary information, are indicated in Company's documents.

## **II. OBJECTIVES AND OBJECT OF COMPANY'S ACTIVITY**

9. The main Objectives of Company's Activity are as follows:

9.1. Strive for profit;

9.2. Rational usage of Company's funds, assets and other resources;

9.3. Assurance of proprietary interests of the Shareholders;

10. Object of Company's Activity is heat production, heat supply to consumers, supply of hot water, as well as production of electricity and maintenance (operation) of buildings heating and hot water systems.

11. The Company can be engaged in any legal economical and commercial activity unless it contradicts laws of the Republic of Lithuania and other legal acts.

12. The Company may carry out activities that are subject to licensing or any specifically regulated other activity only upon obtaining the required licenses or permits.

### **III. AUTHORIZED CAPITAL OF THE COMPANY**

13. The authorized capital of the Company consists of:

13.1. Amount of paid authorized capital;

13.2. Share premium account (excess of shares par value);

13.3. Revaluation reserve;

13.4. Legal reserve;

13.5. Reserve for procurement of own shares;

13.6. Other reserves;

13.7. Result – profit (loss) brought forward.

14. The authorized capital of the Company consists of 74,475,728.82 (seventy-four million four hundred seventy-five thousand and seven hundred twenty-eight euros and eighty-two cents) euro.

15. If the equity capital of the Company becomes smaller than  $\frac{1}{2}$  of the amount of Authorized capital specified in Company's Statutes, Company's Board must convoke General Meeting of Shareholders. It must consider the issues regarding decisions indicated in Item 2 of Chapter 10 and in Chapter 11 of Article 59 of the Law on Companies of the Republic of Lithuania within 3 months from the day when the Board got to know emerged situation or must know. Emerged situation in Company must revise within 6 months from the day when it the Board got to know or must know this situation.

16. The Authorized capital of the Company shall be increased by the order scheduled in Articles 49, 50, 51 and 57 of the Law on Companies of the Republic of Lithuania by issuing new shares or by increasing of par value of already issued shares and changing Statutes respectively. The Authorized capital of the Company shall be increased by the decision of General Meeting of Shareholders, which shall be taken by the majority not less than  $\frac{2}{3}$  of the votes.

17. The Authorized capital is being considered as increased just after registration of changed Company's Statutes in the Register of Legal Entities. When the Authorized capital is being increased from Company's funds, new shares are fixated by entries in personal securities accounts or par value of the shares is increased. This information shall be provided for the Shareholders by the Company's Board in electronic publication "Public Announcements of Legal entities", published by the State Enterprise Centre of Registers.

18. Company's Authorized capital shall be decreased by the order scheduled in Articles 52 and 53 of the Law on Companies of the Republic of Lithuania. The Authorized capital of the Company shall be decreased by the decision of General Meeting of Shareholders, which shall be taken by the majority not less than 2/3 of the votes or by decision of the court in cases specified by the Law on Companies of the Republic of Lithuania.

19. The Authorized capital is being considered as decreased just after registration of changed Company's Statutes in the Register of Legal Entities. After registration of changed Statutes in the Register of Legal Entities, the Company must provide required documents to the Bank of Lithuania, stock exchange AB Nasdaq Vilnius, AB "Lithuanian Central Securities Depository" in 1 day. If the changes in Company's Statutes regarding decrease of authorized capital are not being registered by the determinate order, the authorized capital is being considered as not decreased.

#### **IV. NUMBER OF THE SHARES ACCORDING TO THEIR CLASS, THEIR PAR VALUE AND CONCEDED RIGHTS**

20. The authorized capital of the Company is divided into 42,802,143 (forty-two million eight hundred two thousand and one hundred forty-three) Ordinary Registered Shares. The par value of the share is 1.74 (one euro and 74 cents) euro. All the shares of the Company are of the same class. Company's shares are uncertificated.

21. Shares are securities, endorsing the right of their holders to take part in Company's management if the legislation of the Republic of Lithuania does not determine anything else, the right to obtain dividends, the right to the part of Company's assets remaining after liquidation and other rights determined by the legislation of the Republic of Lithuania. Uncertificated shares of the Company are fixated with the entries in personal securities accounts of shareholders. Personal securities accounts of Company's shareholders are being kept meeting the requirements, set in the regulatory enactments of the Republic of Lithuania regulating the accounting of securities. The account administrator, who has opened the securities account of the shareholder, must give an extract from his/her securities account on application of shareholder, which is an evidence of

proprietary rights for the shares. The number of shares and other information on the shares that are entered in account, defined in the regulatory enactments must be specified in the extract. The share is not divided into parts. If few owners are holding one share, all its owners are being considered as one shareholder. One of the owners has the use of the rights conceded by the shares under agreement approved by notary. Owners are solidary for the liabilities of shareholders.

22. Only fully paid ordinary registered shares shall entitle their holders to vote at the General Meeting of Shareholders. Each Ordinary Registered Share shall entitle its owner to one vote at the General Meeting of Shareholders.

23. The rights of Company's shareholders are determined by the Law on Companies of the Republic of Lithuania and the rest of legislation of the Republic of Lithuania.

24. Shareholders have no other proprietary liabilities to the Company, except the liability to pay in the specified order for all the signed shares at the price of emission.

## **V. COMPANY'S BODIES**

25. Company's bodies are as follows:

25.1. General Meeting of Shareholders;

25.2. Collegial supervisory body – the Supervisory Board;

25.3. Collegial management body – the Board (or the Management Board);

25.4. Sole management body – General Manager.

26. Company's management bodies must act in favour of the Company and its' shareholders and follow the laws and other legislation of the Republic of Lithuania and follow Company's Statutes.

27. Each candidate to the position of Company's General Manager or to the members of the Board or Supervisory Board must inform the body, which he/she is elected by on the subject of his/her current positions, on the relationship of his/her current activity to the Company and other legal entities, related to the Company.

## **VI. COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS AND THE ORDER OF ITS CONVOCATION**

28. The General Meeting of Shareholders is the supreme body of the Company. The General Meeting of Shareholders shall not have the right to assign other Company's management bodies to deal with the issues assigned to its' competence.

29. The persons who were Company's shareholders as at the end of the date of record of the General Meeting of Shareholders shall have the right to participate and vote in the General Meeting of Shareholders or in the repeated General Meeting of Shareholders. They can do it personally, with exceptions determined by the law, or through persons authorized by them, or persons with whom an agreement of transfer of voting rights is concluded. The date of record of Company's meeting shall be the 5<sup>th</sup> (fifth) business day prior to the General Meeting of Shareholders or the repeated General Meeting of Shareholders.

30. Members of the Supervisory Board or the Board, or General Manager of the Company, or auditor who prepared conclusion and report shall have the right to take part and to speak in the General meeting of Shareholders.

31. The initiative right to convene the General Meeting of Shareholders shall be vested in the Company's Supervisory Board, Company's Board and the Company's Shareholders representing at least 1/10 (one tenth) of all the voting rights. The General Meeting of Shareholders is convoked by the decision of the Board or in cases, determined by Chapter 3 of the Article 23 of the Law on Companies of the Republic of Lithuania – by the decision of General Manager, except cases, determined by the Law on Companies of the Republic of Lithuania. In case the Board or the General Manager of the Company, in cases, determined by Chapter 3 of the Article 23 of the Law on Companies of the Republic of Lithuania, fails to adopt the decision on convocation of the General Meeting of Shareholders within the period of 10 days starting from the date of receipt of the application from the initiators of General Meeting of Shareholders, the General Meeting of Shareholders can be convened by the decision by the shareholders, possessing more than ½ of the whole of the votes.

32. The General Meeting of Shareholders shall be convoked and the information on its convocation must be provided following the terms and order, determined by the Law on Companies of the Republic of Lithuania. The shareholders shall be informed on convocation of the General Meeting of Shareholders following the order, determined in Article XI of Company's Statutes.

33. The General Meeting of Shareholders may adopt decisions and hold as fait accompli in case the attending of Shareholders who have more than ½ of all votes. In case the quorum is established, it is held to be established for the time of the entire meeting. In case of absence of quorum, the General Meeting of Shareholders shall not be held as fait accompli, a repeated General Meeting of Shareholders may be convoked, and it shall have the right just to adopt decisions just under agenda of the meeting that was not held and for which the requirement of quorum shall not be applied. The repeated General Meeting of Shareholders shall be convoked no earlier than after 5



days but not later than 21 days from the day of the General Meeting of Shareholders that was not held.

34. Competency of the General Meeting of Shareholders has no difference with that, determined in the Law on Companies of the Republic of Lithuania, so it is not determined in this Statutes.

35. The shareholders who participate in the General Meeting of Shareholders shall be registered in the list of registration of shareholders, which shall be signed by the chairperson of the General Meeting of Shareholders and secretary. If the secretary is not elected, the chairperson of the General Meeting of Shareholders shall sign this list. If all the shareholders who took part in the General Meeting of Shareholders placed their votes in written, the General Manager of the Company shall sign this list.

36. The shareholder or the person authorized by him, using his right of voting in written and after acquaintance with agenda and draft decisions, shall fill and submit to the Company a general voting ballot. He provides the information regarding his will "for" or "against" concerning every separate decision to the General Meeting of Shareholders in it. The Company's shareholder or another person, entitled to vote with the shares held by this shareholder, shall sign filled general ballot. If the person signs the general ballot, who is not a Company's shareholder, a document proving the voting right must be enclosed to the filled general voting ballot.

37. Shareholders who placed their votes in written beforehand shall be considered as participating in the General Meeting of Shareholders and their votes shall be encountered into quorum of the General Meeting of Shareholders and into voting results. General voting ballots of the General Meeting of Shareholders that was not held shall be valid for the repeated General Meeting of Shareholders. The shareholder shall not be able to vote in the General Meeting of Shareholders on the decision regarding which he expressed his will in written beforehand.

38. The Company may enable the shareholders to participate and vote at the General Meeting of Shareholders by electronic means. In cases when a shareholder has attended and voted at the General Meeting of Shareholders by electronic means, an acknowledgment of receipt of the result of electronic voting shall be immediately sent to him. And an acknowledgment that his vote has been properly recorded and counted shall be submitted to the shareholder at his request, which may be submitted no later than 7 (seven) days from the date of the General Meeting of Shareholders (unless the shareholder already has this information).

39. Voting at the General Meeting of Shareholders is open. Voting by secret ballot is obligatory for all shareholders on the issues on which at least one shareholder wishes to vote by

secret ballot and if it is approved by the shareholders whose shares entitle them to at least 1/10 of the votes at this General Meeting of Shareholders.

40. The decision of the General Meeting of Shareholders shall be considered as adopted when more votes “for” than “against” are received, except voting on issues determined by the Law on Companies and for which the qualified majority of shareholders participating in General Meeting of Shareholders shall be required.

## **VII. THE SUPERVISORY BOARD**

41. The Supervisory Board is the collegial body, performing supervision of Company’s activity and it is managed by its’ chairperson. The General Meeting of Shareholders shall elect the Supervisory Board from 7 members for the period of 4 years. The Supervisory Board performs its’ functions for 4 years or until the new Supervisory Board is elected, but not longer than the General Meeting of Shareholders in the year of the end of term of office of Supervisory Board shall be held. Number of terms of office of the members of Supervisory Board shall not be limited. Chairperson of the Supervisory Board shall be elected from its’ members.

42. When members of the Supervisory Board are elected, each shareholder shall hold such number of votes that is equal to the number of his votes granted to him by his own shares, and of the product of number of members of the Supervisory Board. These votes shall be allocated at discretion of shareholder – for one or few candidates. Candidates who receive more votes shall be elected. If there are more candidates who received equal number of votes than vacant positions in the Supervisory Board, the repeated voting shall be organized. Each shareholder shall be able to vote just for one candidate who received an equal number of votes in it.

43. The composition and other requirements of the Supervisory Board do not differ from those established in the Law on Companies of the Republic of Lithuania and other legal acts.

44. The Supervisory Board or its’ members start performing their activity just after the end of the General Meeting of Shareholders, which elected them.

45. When the Statutes of the Company are being changed due to the formation of the Supervisory Board or increasing the number of its’ members, newly elected members of the Supervisory Board can start their activity just from the day of register of changed Statutes. In this case making of the decision regarding changes of Statutes and election of new members of the Supervisory Board can be done in the same General Meeting of Shareholders if it is anticipated in meeting agenda.

46. The General Meeting of Shareholders shall be able to recall entire Supervisory Board or its' individual members until the end of the term of office.

47. Member of the Supervisory Board shall be able to resign until the end of term of office giving in his written notice to the Company within 14 days until resignation.

48. If a member of the Supervisory Board is being recalled, resigns or quits performing his functions due to the other reasons and the shareholders who own not less than 1/10 of all votes granted by their own shares contradict election of individual members of Supervisory Board, the Supervisory Board loses its authority and the entire Supervisory Board must be elected. If the individual members of the Supervisory Board are being elected, they are elected just until the end of the term of office of the active Supervisory Board.

49. Annual payments can be paid to the members of Supervisory Board according to the order determined in Article 59 of the Law on Companies of the Republic of Lithuania.

50. The Supervisory Board:

50.1. Discusses and approves strategy of Company's activities, analyses and estimates information on Company activities strategy implementation and provides this information to the General Meeting of Shareholders;

50.2. Elects members of the Board and recalls them. If the Company works wastefully, the Supervisory Board must discuss suitability of performing functions of members of the Board;

50.3. Makes decisions regarding deals with the parties concerned as it is determined in the article 37<sup>2</sup> of the Law on Companies of the Republic of Lithuania;

50.4. Performs supervision of activity of the Board and Company's General Manager;

50.5. Offers suggestions and appreciations to the General Meeting of Shareholders regarding project of the rules of shares allotment;

50.6. Offers appreciations and suggestions to the General Meeting of Shareholders regarding set of annual financial statements, the project of allotment of profit (loss) and Company's annual report, as well as regarding activities of the Board and Company's General Manager;

50.7. Offers appreciations and suggestions to the General Meeting of Shareholders regarding the project of allotment of dividends for the period shorter than financial year and interim financial statements made for its' acceptance and regarding interim report to the General Meeting of Shareholders;

50.8. Offers suggestions to the Board and to the chief executive of the Company regarding withdrawal of their decisions that contradict the law and other legislation, Company's Statutes and decisions of the General Meeting of Shareholders;

50.9. Offers appreciations and suggestions to the General Meeting of Shareholders and the Board regarding the project of remuneration policy and remuneration report project;

50.10. Resolves other issues of supervision of the activities of the Company and its management bodies, which are assigned to the competence of the Supervisory Board in the Statutes of the Company and in the decisions of the General Meeting of Shareholders.

51. The Supervisory Board shall not have the right to assign or consign performance of its functions to the General Meeting of Shareholders, the Board or the General Manager of the Company.

52. On request of the Supervisory Board Company's General Manager and the Board must submit documents, data and other information concerning Company's activity. Members of the Supervisory Board must keep commercial (production) secrets, confidential information, which became known to them as to the members of the Supervisory Board.

53. Working order of the Supervisory Board shall be determined by its' regulations, accepted by the Supervisory Board.

54. Chairperson of the Supervisory Board shall convene Sessions of the Supervisory Board. Sessions of the Supervisory Board can also be convened by the decision of not less than 1/3 of members of the Supervisory Board. Sessions of the Supervisory Board, their arrangement and the order of announcement shall be determined by the regulations of the Supervisory Board.

55. All the members of Supervisory Board shall have equal rights. Each member of the Supervisory Board shall have one vote on voting procedure. Vote of the chairperson of the Supervisory Board shall be determinant if the number of votes "for" and "against" is equal.

56. Member of the Supervisory Board shall have the right to give ordinary written warrant to the other member of Supervisory Board who should represent him in voting procedure on the session of Supervisory Board. Member of the Supervisory Board can provide information on his will "for" or "against" voted decision after acquaintance with its' project by voting in written or using electronic means if the safety of transferred information is secured and if the voting person can be identified.

57. The Supervisory Board can accept decisions and its' session shall be considered as held when more than a half of members of the Supervisory Board takes part in it. Members of the Supervisory Board who placed their votes beforehand are considered as members who took part in the session. Decision of the Supervisory Board shall be accepted when more votes "for" than "against" are received. Decision of recall of the member of Supervisory Board can be accepted if not less than 2/3 of members of the Supervisory Board taking part in the session have voted for it.

58. Sessions of the Supervisory Board must be protocolled.

### **VIII. THE BOARD**

59. The Board is the collegial management body, managed by its' chairperson.

60. The Supervisory Board shall elect the Board from 5 members for the period of 4 years. Chairperson of the Board shall be elected from its' members. Number of terms of office of the members of Board shall not be limited.

61. The Board performs its' functions for 4 years or until the new Board is elected, but not longer than the General Meeting of Shareholders in the year of the end of term of office of Supervisory Board shall be held. If the individual members of the Board are elected, they are being elected just until the end of term of office of the active Board.

62. The composition of the Board and other requirements are not different from those established in the Law on Companies of the Republic of Lithuania and other legal acts.

63. The Board or its' members start performing their activity just after the end of the session, which elected them.

64. When the Statutes of the Company are being changed due to the formation of the Board or increasing the number of its members, newly elected members of the Board can start their activity just from the day of register of changed Statutes.

65. The Supervisory Board shall be able to recall entire Board or its' separate members until the end of the term of office.

66. Member of the Board shall be able to resign until the end of term of office giving in his written notice to the General Manager of the Company and the Board no later than 14 days until resignation.

67. Annual payments can be paid to the members of the Board according to the order determined in Article 59 of the Law on Companies of the Republic of Lithuania and remuneration according to the provisions of Activity agreement of the member of the Board approved by the General Meeting of Shareholders.

68. The Board considers and accepts:

68.1. the annual report of the Company;

68.2. the interim report of the Company;

68.3. framework of government of the Company and positions of the employees;

68.4. the positions to which employees shall be hired through a contest, and nominees to such positions;

68.5. regulations of branches and representative offices of the Company.

69. The Board elects and removes the General Manager of the Company, determines his remuneration, other terms of the employment contract, approves his job description, encourages him and imposes penalties. When determining the remuneration of the head of the Company, the Board follows the remuneration policy approved by the General Meeting of Shareholders.

70. The Board shall determine the information, which shall be considered as the commercial (industrial) secret and confidential information of the Company. Any information, which shall be public under laws of the Republic of Lithuania, may not be considered as commercial (industrial) secret and confidential information.

71. After the Board approves the Annual Report of the Company, the General Meeting of Shareholders has the right to decide to approve the remuneration report. The approval of the General Meeting of Shareholders does not remove the responsibility of the Board for the decision taken. If the General Meeting decides not to approve the Remuneration Statement, the Board, when approving the Remuneration Report for the following year, shall indicate how the arguments of the General Shareholders' Meeting have been taken into consideration.

72. The Board shall accept:

72.1. Company's decisions to become founder or participant of other legal entities;

72.2. decisions to establish the branches and representative offices of the Company and to terminate their activities;

72.3. decisions regarding investment, transfer or lease of long-term assets carrying amount of which is worth more than 3 million Euro (calculated separately regarding each type of transaction);

72.4. decisions regarding mortgage and hypothec of long-term assets carrying amount of which is worth more than 3 million Euro (calculated general sum of transactions);

72.5. decisions on issuing of guarantees or on securing of implementation of obligations of other persons the sum of which is bigger than 3 million Euro;

72.6. decisions on acquisition of long-term assets for the price bigger than 3 million Euro;

72.7. decisions on determination of prices of services and products or projects of prices of services and products of Company's main activity;

72.8. other decisions attributed to the competence of the Board by Company's Statutes or decisions of the General Meeting of Shareholders.

73. The Board prior to making decisions referred to in items 3, 4, 5 and 6 of Chapter 4 of the Article 34 of the Law on Companies of the Republic of Lithuania with respect to non-current assets with a carrying amount of more than 3 million (three million) Euro, must be approved by the

General Meeting of Shareholders or the Supervisory Board. The approval of the General Meeting of Shareholders or the Supervisory Board shall not relieve the Board of its responsibility for the decisions taken.

74. Before acceptance of decision regarding investment of funds or other assets into other legal person, the Board must inform creditors regarding that case with which the Company is not settled in determined term if the general sum of debt to these creditors is bigger than 3 million Euro.

75. The Company performs functions of the shareholder in companies in which the Company owns entire shares and in which written decisions of the Company shall be equal to the decisions of the General Meeting of Shareholders.

76. The Board authorizes persons to represent the Company in other companies in which the Company is a shareholder or partner.

77. The Board analyses and estimates a material submitted by General Manager of the Company regarding:

77.1. Organization of Company's activity;

77.2. Company's financial state;

77.3. Results of economic activity, income and expenditures estimates, inventory and other information on accounts of assets changes.

78. The Board analyses and estimates the project of the strategy of Company's activities and information on implementation of the strategy of Company's activities submitted by the Company's General Manager and submits them to the Supervisory Board together with appreciations and suggestions.

79. The Board analyses and estimates annual financial statements, project of allotment of profit (loss) and submits them to the Supervisory Board and General Meeting of Shareholders along with appreciations and suggestions regarding them, and with annual report.

80. The Board analyses, estimates the project of decision on allotment of dividends for the period shorter than financial year and interim financial statements made for its' acceptance, and submits them along with appreciations and suggestions regarding them and with Company's interim report to the Supervisory Board and to the General Meeting of Shareholders.

81. The Board analyses and estimates the project of the rules of shares allotment and submits it to the Supervisory Board and the General Meeting of Shareholders together with appreciations and suggestions regarding it.

82. The Board analyses and estimates the remuneration policy project and submits it to the Supervisory Board and the General Meeting of Shareholders together with the appreciations and suggestions.

83. Company's Board performs functions that are attributed to the competence of managing body according to the Law on Restructuring of Enterprises.

84. The Board must convoke and arrange General Meetings of Shareholders in time, make agendas of the General Meetings of Shareholders, submit required information for consideration of agenda's issues.

85. On request of the Supervisory Board, the Board must submit documents, data and other information concerning Company's activity.

86. Members of the Board must keep commercial (production) secrets, confidential information, which became known to them as to the members of the Board.

87. Working order of the Board shall be determined by its' regulations, accepted by the Board.

88. Each member of the Board shall have the right of convocation of the session of the Board. Each member of the Board shall have one vote on voting procedure. Vote of the chairperson of the Board shall be determinant if the number of votes "for" and "against" is equal. Member of the Board shall have the right to give ordinary written warrant to the other member of the Board who should represent him in voting procedure on the session of Supervisory Board. Member of the Board can provide information on his will "for" or "against" voted decision after acquaintance with its' project by voting in written or using electronic means, if the safety of transferred information is secured and if the voting person can be identified.

89. The Board can accept decisions and its' session shall be considered as held when more than 2/3 of members of the Board takes part in it. Members of the Board who placed their votes beforehand are considered as members who took part in the session. Decision of the Board shall be accepted when more votes "for" than "against" are received. Member of the Board shall have no voting right when the issue concerning his / her activity in the Board or his / her responsibility is solved in the session of the Board. In case determined in Chapter 5 of the Article 2.87 of the Civil Code of the Republic of Lithuania the Board shall decide regarding suspension of member of the Board from voting on acceptance of decision on particular issue.

90. The Board shall invite the General Manager of the Company into each session if he /she is not a member of the Board. The Board shall make possibilities to him / her to get acquainting with information on agenda's issues.



91. Sessions of the Board must be protocolled.

### **IX. GENERAL MANAGER OF THE COMPANY**

92. General Manager of the Company – General Manager – is a sole body of Company's management who organizes Company's activity. Capable natural person can be a General Manager of the Company and an employment agreement is concluded with him / her.

93. General Manager of the Company shall follow the law of the Republic of Lithuania, other legislation of the Republic of Lithuania, Company's Statutes, and decisions of General Meeting of Shareholders, decisions of the Supervisory Board and the Board, and the regulations of position in his / her activity. The General Manager of the Company shall organize the day-to-day operation of the Company, appoint and dismiss employees of the Company, sign, amend and terminate on behalf of the Company employment agreements with employees, induce and apply penalties to them.

94. The order of election and recall of the General Manager of the Company is no different from that indicated in the Law on Companies of the Republic of Lithuania. The General Manager of the Company shall start performing his / her functions from the moment of election if the employment agreement does not determine otherwise.

95. The General Manager of the Company shall have the right of resignation by submitting written resignation letter to the Company's Board. The Board that elected the General Manager of the Company must accept the decision on resignation of the General Manager of the Company within 15 days from the receipt of the letter of resignation. If the Board that elected the General Manager of the Company does not accept the decision on recall of the General Manager of the Company, his employment agreement shall terminate on the sixteenth day from the receipt of the letter of resignation.

96. The person authorized by Company's Board must inform the Register of Legal Entities on election, recall as well as on termination of employment agreement on other basis of the General Manager of the Company no later than in 5 days. If Company's Board does not make a decision regarding recall of the General Manager of the Company who submitted the letter of resignation, resigned General Manager of the Company shall inform the Register of Legal Entities on termination of his / her employment agreement by submitting documents proving submission of the letter of resignation to the Company's Board that elected him / her.

97. The General Manager of the Company shall determine ratios of assets depreciation applied in Company.

98. The General Manager of the Company shall act on behalf of the Company and shall have the right on autocratic conclusions of transactions. Transactions determined in items 3, 4, 5 and 6 of Chapter 4 of Article 34 of the Law on Companies of the Republic of Lithuania shall be concluded by the General Manager of the Company just if the decisions of the Board regarding conclusion of these transactions are made.

99. General Manager of the Company must keep commercial (production) secrets, confidential information, which became known to him / her while performing his / her functions.

100. General Manager of the Company shall be responsible for:

100.1. Organization of Company's activity and implementation of Company's goals;

100.2. Composition of annual financial statements and preparation of Company's annual report;

100.3. Preparation of project of remuneration policy;

100.4. Preparation of project of remuneration report;

100.5. making the remuneration policy and remuneration report publicly available on the Company's website;

100.6. Preparation of the project of decision on allotment of dividends for the period shorter than financial year, composition of interim financial statements, preparation of interim report in order of acceptance of the decision on allotment of dividends for the period shorter than financial year. Provisions of the Law on Financial Statements of Entities, regulating preparation and announcement of the annual report, shall be applied *mutatis mutandis* for the interim report;

100.7. Preparation of the project of the rules of shares allotment;

100.8. Conclusion of agreement with auditor or audit company when audit is obligatory under the law or Company's Statutes;

100.9. Submission of information and documents to the General Meeting of Shareholders, Supervisory Board and the Board in cases determined by the Law on Companies of the Republic of Lithuania and on their request;

100.10. Submission of Company's documents and information to the Register of Legal Entities;

100.11. Submission of Company's documents to the Bank of Lithuania and Central Securities Depository of Lithuania;

100.12. Public announcement of information determined in the Law on Companies of the Republic of Lithuania in electronic publication "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers;

100.13. Announcement to the shareholders, Supervisory Board and the Board on the most important events, significant to the Company's activities;

100.14. Submission of information to shareholders;

100.15. Implementation of other functions determined by the Law on Companies of the Republic of Lithuania, other laws and legislation of the Republic of Lithuania, as well as by these Statutes or in regulations of the position of the General Manager of the Company.

101. General Manager of the Company must make certain submission to auditor of all Company's documents necessary to the inspection, determined in agreement with auditor or Audit Company.

102. General Manager of the Company shall represent the Company in relationship with third persons.

**X. ORDER OF ACCEPTANCE OF DECISIONS ON ESTABLISHMENT AND TERMINATION OF ACTIVITY OF COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES, ORDER OF THE APPOINTMENT AND DISMISSAL OF GENERAL MANAGERS OF BRANCHES AND REPRESENTATIVE OFFICES**

103. Issues on establishment and termination of activity of Company's branches and representative offices as well as endorsement of their regulations shall be tackled by the Company's Board according to these Statutes and valid laws of the Republic of Lithuania. Number of Company's branches and representative offices shall be unlimited.

104. Company's branch shall be a structural Company's subdivision possessing its' own residence and performing all or part of Company's functions. Company's branch shall not be a legal entity. The Company shall have a responsibility for branch's liabilities and a branch shall be responsible for Company's liabilities. Assets of branch of the Company shall be accounted in Company's balance sheets and in separate balance sheets of the branch.

105. The branch shall act, and its activity shall be terminated in accordance with the regulations approved by the Board of the Company and the laws of the Republic of Lithuania.

106. If the liquidation of the Company is started, a branch shall also be liquidated. If the Company ends due to reorganization, a branch can be not liquidated but disposed to reorganized legal entity continuing the activity.

107. Company's representative office shall be a structural Company's subdivision possessing its' own residence and the right of representing of Company's concerns and protect them, the right of conclusion of agreements and of performing other operations on behalf of the Company

according to the laws of the Republic of Lithuania and regulations of the representative office. Company's representative office shall not be a legal entity, so the Company shall have a responsibility for representative office's liabilities and a representative office shall be responsible for Company's liabilities.

108. The representative office shall act, and its activity shall be terminated in accordance with the regulations approved by the Board of the Company and the laws of the Republic of Lithuania.

109. General Managers of the Company's branches and representative offices shall be appointed and recalled by the Company's Board.

## **XI. ORDER OF ANNOUNCEMENT OF COMPANY'S INFORMATION. COMPANY'S DOCUMENTS**

110. Company's information regulated by the Law on Companies, Law on Securities and Law on Markets in Financial Instruments of the Republic of Lithuania shall be announced publicly and placed in the Central Storage Facility according to order determined by the Article 33 of the Law on Securities of the Republic of Lithuania.

111. In cases determined by the Law on Companies of the Republic of Lithuania, other laws of the Republic of Lithuania and by this Statutes, the Company shall publish its' announcements in electronic publication "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers when they must be announced publicly. Other announcements shall be delivered to shareholder by registered mail at the address specified by him / her or against signature.

112. Company's body or institution that has decided on convocation of General Meeting of Shareholders submits to the Company information and documents necessary for preparation of announcement on convocation of the General Meeting of Shareholders. The Company must announce convocation of the General Meeting of Shareholders publicly in Company's website and in electronic publication, "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers or against signature or delivered to shareholder by registered mail not later than 21 days until the day of General Meeting of Shareholders. Announcement on the repeated General Meeting of Shareholders shall be delivered in the one of the manners determined in this item of Company's Statutes no later than 14 days until the day of this General Meeting of Shareholders.

113. Announcement on decision of decrease of authorized capital shall be delivered to each creditor against signature or by registered mail. In addition, the Company must announce the decision on decrease of authorized capital publicly in electronic publication "Public

Announcements of Legal Entities” issued by the State Enterprise Centre of Registers or delivered to each shareholder against signature or by registered mail.

114. If the Company is intended to be reorganized, General Manager of the Company shall place an announcement on prepared terms of reorganization in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers for three times at intervals not less than 30 days. Alternatively, he / she shall place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and deliver written notices to each shareholder within 30 days until the General Meeting of Shareholders regarding Company’s reorganization. Information enumerated in Chapter 1 of Article 63 of the Law on Companies of the Republic of Lithuania shall be indicated in announcement or notice. The information on where and when it should be allowed to become acquainted with documents enumerated in Chapter 2 of the Article 65 of the Law on Companies of the Republic of Lithuania must be indicated in them.

115. The Company must announce in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers on the decision of rearrangement of the Company for three times at intervals not less than 30 days. Alternatively, the Company must place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and written notices delivered to each creditor. Information on the Company and title of legal entity of the new legal form, its’ legal form and residence, indicated in Article 2.44 of the Civil Code of the Republic of Lithuania shall be indicated in notice.

116. Company’s liquidator shall place an announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers on liquidation of the Company for three times at intervals not less than 30 days. Alternatively, he must place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and written notices delivered to each creditor. Information on the Company indicated in Article 2.44 of the Civil Code of the Republic of Lithuania shall be indicated in announcement or notice.

117. The following information must be indicated in Company’s documents that are being used in relationship with other subjects: Company’s title, legal form, address of residence, code, register of legal entities that collects and keeps Company’s information, the word “going bankrupt” or “liquidated” if the Company is going bankrupt or being liquidated respectively, code of VAT payer if the Company appears VAT payer. The amount of authorized capital and amount of fully

paid authorized capital shall be indicated in Company's documents that are used in relationship with other subjects when Company's capital is mentioned in them.

## **XII. ORDER OF SUBMISSION OF COMPANY'S DOCUMENTS AND OTHER INFORMATION TO THE SHAREHOLDERS**

118. On request of the shareholder, the Company must allow the shareholder no later than 7 days from the day of receipt of request become acquainting with and (or) submit copies of the following documents: Company's Statutes, annual and interim financial statements, Company's annual and interim reports, auditors' conclusions and audit reports, protocols of General Meetings of Shareholders or other documents by who's a decisions of General Meeting of Shareholders are formalized, Supervisory board suggestions or appreciations to General Meetings of Shareholders, lists of shareholders, lists of the members of Supervisory board or the Board, other Company's documents that must be public according to law, as well as the protocols of the meetings of the Supervisory Board and the Board or other documents by which the decisions of these bodies of the Company are formalized. The Company may refuse to provide the shareholder with access to and / or provide copies of documents related to the Company's commercial (industrial) secret, confidential information, unless the Company's information is required by the shareholder to fulfil imperative requirements of other legal acts and the shareholder ensures such confidentiality. The Company must make available to the shareholder other information of the Company and / or provide copies of documents, if such information and documents, including information and documents related to the Company's commercial (industrial) secret and confidential information, are necessary for the shareholder the shareholder shall ensure the confidentiality of such information and documents. The Company shall refuse to provide the shareholder with access to and / or provide copies of documents if the identity of the requesting shareholder cannot be established. The refusal to provide a shareholder with access to and / or provide copies of documents shall be executed by the Company in writing if the shareholder so requests. Disputes concerning a shareholder's right to information shall be settled by a court.

119. Company's documents or other information shall be submitted to the shareholders free of charge after submission of written application to the Company.

120. The record of the shareholders of the Company submitted to the shareholder shall contain the data of each shareholder held by the Company (name, surname, personal code and place of residence or correspondence address; name, legal form, code, registered office and name of the representative, residence, or correspondence address), number of shares owned by the shareholder.

The laws of the Republic of Lithuania may also prescribe other mandatory information on shareholders.

### **XIII. PROCEDURE FOR AMENDMENT OF THE STATUTES**

121. Company's Statutes shall be amended by the decision of General Meeting of Shareholders, excluding exceptions determined by the Law on Companies of the Republic of Lithuania.

122. Entire text of amended Statutes shall be written after General Meeting of Shareholders makes decision on amendment of Company's Statutes, and a person authorized by the General Meeting of Shareholders shall sign it.

123. If the mandatory provisions of the Law on Companies of the Republic of Lithuania or other legal acts related to the Statutes of the Company change, the mandatory provisions of these legal acts shall apply until the wording of the Statutes is amended accordingly.

124. Company's Statutes shall be considered amended just after the registration of amended Company's Statutes by determined order in the Register of Legal Entities of the State Enterprise Centre of Registers.

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The new wording of the Articles of Association of the Kauno energija limited liability company was approved by the decision of the Board of the Kauno energija limited liability company on [date] [details of decision].

Person authorised by the Board  
[date]

[responsibilities]  
[first name, last name]