/Translation from the Lithuanian language/

PUBLIC LIMITED LIABILITY COMPANY "ŽEMAITIJOS PIENAS"

ARTICLES OF ASSOCIATION

1. GENERAL

1.1. Public Company "ŽEMAITIJOS PIENAS" (hereinafter – the COMPANY), abbreviated name – AB "ŽEMAITIJOS PIENAS", was established on 2 June 1993 on the basis of a resolution of the constituent meeting of the shareholders of the Telšiai State Cheese Factory (Minutes No. 1) and, by resolution of the General Meeting of Shareholders of 1 May 2004 (Minutes No. 2), was reorganised by way of demerger by separating part of its assets, rights and obligations and establishing AB "Žemaitijos pieno investicija". On 18 December 2019, by resolution of the General Meeting of Shareholders, the COMPANY was reorganised by way of merger through the acquisition of Public Company "Baltijos mineralinių vandenų kompanija". Following the reorganisation, the COMPANY continues its activities, and its authorised capital, as well as the value and number of shares, remain unchanged. The COMPANY is a private legal entity seeking profit, having economic, financial, organisational and legal independence, and in its activities is guided by the laws of the Republic of Lithuania, resolutions of the Government, other legal acts in force in the Republic of Lithuania, and these Articles of Association (hereinafter – the ARTICLES OF ASSOCIATION).

1.2. Shareholders (participants) of the COMPANY may be natural and legal persons of the Republic of Lithuania and other states, provided that they recognise these ARTICLES OF ASSOCIATION and their activities do not contradict the laws of the Republic of Lithuania.

1.3. The COMPANY is a legal entity with limited civil liability. It is liable for its obligations only to the extent of its assets. The shareholders shall have no other property obligations to the COMPANY, except for the obligation to pay for all subscribed shares at their issue price in accordance with the established procedure.

1.4. The COMPANY owns separate property by right of ownership and may, in its own name, acquire and transfer property and non-property rights, as well as act as claimant and defendant in courts and arbitration.

1.5. The COMPANY has accounts in the banks registered in the Republic of Lithuania, seals of an established form, trademarks, other symbols and a stamp.

1.6. The COMPANY has branches having no rights of the legal person:

1) AB "ŽEMAITIJOS PIENAS" Vilnius Branch;
2) AB "ŽEMAITIJOS PIENAS" Kaunas Branch;
3) AB "Žemaitijos pienas" Telšiai Branch;
4) AB "Žemaitijos pienas" Panevėžys Branch.

1.7. The COMPANY'S financial year shall be the calendar year.

1.8. The COMPANY has been established for an indefinite period of time.

2. OBJECTIVES AND COMMERCIAL ECONOMIC ACTIVITY OF THE COMPANY

2.1. The main object of economic activity of the COMPANY is the production of dairy products (NACE 10.51). The COMPANY may also engage in other economic and commercial activities that are not prohibited by legal acts

2.2. The COMPANY'S operational objectives include the organisation and performance of activities stipulated in the ARTICLES OF ASSOCIATION in seek for revenue and profit and in meeting the property interests of shareholders and interests of employees.

2.3. In cases stipulated by the laws, the COMPANY is engaged in certain activities only on the basis of the licence (permit) issued in accordance with the established procedure.

3. RIGHTS OF THE COMPANY

3.1. The COMPANY may:

1) have accounts in banking institutions registered in the Republic of Lithuania and other countries and use their credits, have one or several trademarks, stamp, change and use it discretionary;
2) acquire property by purchase or any other ways as well as to sell, rent, pledge property or dispose, use and control it in any other ways;
3) enter into agreements and any other transactions, assume obligations and have any other rights and obligations that are consistent with the laws of the Republic of Lithuania and these Articles of Association;
4) borrow and lend funds in accordance with the procedure and conditions established by the Law on Companies of the Republic of Lithuania (hereinafter – the Law on Companies), other legal acts and these ARTICLES OF ASSOCIATION. The total amount of funds lent by the COMPANY to natural and legal persons may not exceed its equity;
5) borrow money from its shareholders, both legal and natural persons in the manner and according to the procedure specified by the laws. When borrowing money from its shareholders, the COMPANY shall not offer its assets to shareholders as a collateral. When the COMPANY borrows from its shareholder, the interest may not exceed the average interest rate offered by the commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such case, the COMPANY and shareholders shall not agree on a higher interest rate;
6) the COMPANY may not directly or indirectly make advance payments, give loans or offer safeguards for the discharge of obligations, if such actions are aimed at causing harm to the COMPANY or enabling other persons to acquire shares in the COMPANY for interests that are not beneficial to the COMPANY;
7) if the COMPANY failed to settle with the creditors within the prescribed time limits and the aggregate debt to these creditors exceeds 1/20 of the authorised capital of the COMPANY, it (COMPANY'S management board) must notify the aforementioned creditors about such situation before making a decision to invest funds or other assets into any another legal person;
8) allocate funds to third persons (charity, support, etc.);
9) set prices and rates of own production, provided services and other sources, various discounts and tariffs, allocate and pay various bonuses, save for the cases when this is in conflict with the laws of the Republic of Lithuania;
10) at the agreement between the parties, recruit and dismiss employees for performance of various works and for an agreed period of time, set their rights and obligations, wage, prepare and implement the systems for payment of benefits, premiums and privileges as well as social guarantees;
11) adopt and amend, supplement and cancel its regulations, job and payment descriptions and rules of internal procedure, etc.;
12) incorporate other legal persons, be the stakeholder or manager of other legal persons, join associations, concerns, consortiums and other unions with other enterprises on the basis of agreement;
13) engage in economic activities not prohibited by the laws of the Republic of Lithuania both within and outside the Republic of Lithuania;
14) incorporate branches and representative offices, have authorised persons and/or agents (distributors) in the Republic of Lithuania and foreign countries, participate in various organisations, associations, if their activity is not in conflict with the fields of activity and/or interests of the COMPANY;
15) the COMPANY may also have any other rights and obligations not specified in these ARTICLES OF ASSOCIATION that are not in conflict with the laws of the Republic of Lithuania.

4. RIGHTS AND OBLIGATIONS OF COMPANY'S SHAREHOLDERS

4.1. The shareholders shall have the following property rights granted by the shares of the COMPANY:

1) to receive a part of the COMPANY'S profit (dividend);
2) to receive a part of assets of the COMPANY in liquidation;

3) to receive the shares without payment, if the authorised capital is increased out of COMPANY'S funds, except for cases specified in the Law of Companies;
4) to have the pre-emption right to acquire shares or convertible debentures issued by the COMPANY, except for cases when the general meeting of shareholders decides, pursuant to the procedure established by the Law on Companies, to withdraw this right for all the shareholders;
5) to devise all or part of shares to one or several persons;
6) to sell or transfer all or part of shares to the ownership of other persons in accordance with the procedure established by the Law on Companies;
7) the shareholders may also have any other property rights that are not in conflict with the laws of the Republic of Lithuania.

4.2. The shareholders shall have the following non-property rights granted by the shares of the COMPANY:
1) to participate and vote at the General Meetings of Shareholders in accordance with the procedure set by the Law on Companies and these ARTICLES OF ASSOCIATION;
2) to receive information on COMPANY'S economic activity;
3) to elect and be elected to the COMPANY'S management bodies, to hold any office in the COMPANY, unless the Law on Companies of the Republic of Lithuania and these ARTICLES OF ASSOCIATION stipulate otherwise;
4) to submit specific proposals for the improvement of COMPANY'S financial, economic, organisational and other activities;
5) to appeal the decisions or actions of the meetings of shareholders, the Supervisory Board, the Board and the Manager of the COMPANY that are in conflict with the laws of the Republic of Lithuania, these ARTICLES OF ASSOCIATION of the COMPANY, property and non-property rights of shareholders. One of several shareholders shall have a right to request the compensation for any damage caused to the shareholders without individual authorisation;
6) to have any other non-property rights provided by the laws or these Articles of Association.

4.3. Each shareholder shall have such rights, which are incidental to the shares owned by him/her. All shareholders who are in the same position shall have equal rights and obligations.

4.4. A shareholder shall have the right to authorise another person to vote on his or her behalf at the General Meeting of Shareholders and to perform other legal acts specified in the proxy. The proxy must indicate its term of validity. The procedure for issuing, submitting proxies to the COMPANY and representation shall be governed by the Law on Companies.

4.5. To implement property and non-property rights, two or more shareholders of the COMPANY may conclude a shareholder agreement.

4.6. The COMPANY'S shareholder can transfer his fully paid-up shares to the ownership of other persons in accordance with the procedure established by the Law on Companies and other legal acts. Transfer of partially paid-up COMPANY'S shares shall be prohibited.

4.7. The transfer of COMPANY'S shares to other persons is confirmed by respective entries made in the personal security accounts of shareholders and other accounting documents of COMPANY'S shares.

4.8. The COMPANY'S shareholders must:
1) pay up the price of issue of all newly issued and subscribed shares in accordance with the procedure prescribed in the share subscription agreement;
2) observe the COMPANY'S ARTICLES OF ASSOCIATION, resolutions of governance bodies, contractual obligations;
3) protect the commercial secrets of the COMPANY;
4) perform any other obligations established by the laws.

5. THE CAPITAL OF THE COMPANY

5.1. The authorised capital of the COMPANY amounts to EUR 11,881,749.21 (eleven million eight hundred eighty-one thousand seven hundred forty-nine euros and 21 cents). The authorised capital of the COMPANY is divided into 40,971,549 (forty million nine hundred seventy-one thousand five hundred forty-nine) ordinary registered shares, with a nominal value of EUR 0.29 (twenty-nine hundredths of a euro) each.

5.2. The COMPANY'S ordinary registered shares are book-entry shares. They shall be recorded by making entries in personal securities accounts of shareholders. The owner of a share (shareholder) is a person on whose behalf a personal securities account has been opened. The accounting of securities is carried out according to the requirements applied to the managers of accounts by the laws of the Republic of Lithuania.

5.3. The securities accounts are managed by the company having such a right on behalf of the owners of shares.

5.4. The COMPANY'S authorised capital may be increased or reduced if the General Meeting of Shareholders agrees so and the Articles of Association are changed accordingly. The authorised capital shall be considered as increased or reduced only after the registration of respective amendments of the COMPANY'S ARTICLES OF ASSOCIATION in accordance with the procedure prescribed by the laws. The Company's authorised capital may be increased or reduced in accordance with the procedure established by the Law on Companies of the Republic of Lithuania.

6. SHARES

6.1. Shares are securities characterising the share of their owner in the COMPANY'S authorised capital and granting them rights and obligations provided for in these ARTICLES OF ASSOCIATION. The manager of account who has opened the securities account of the shareholder, at the request of the shareholder, shall issue an extract from this account showing the number of shares and any other information set by the laws on the shares recorded in the account.

6.2. Shares shall be subscribed for when the COMPANY and a natural or legal person conclude a share subscription agreement, except when the COMPANY is being incorporated. Under the share subscription agreement, the COMPANY shall undertake to offer a certain number of new shares and the other party shall undertake to pay the entire subscription price. The share subscription agreement shall also contain information and data specified in the Law on Companies.

6.3. The partially paid-up shares are marked with an entry in the securities account of a person in charge of subscription of such shares – the sum paid for these shares, the remaining deficit of their full payment and deadline of payment shall be indicated. Such data shall also be indicated in the extract of securities account issued to the shareholder.

6.4. The price of issue of shares may be paid in cash or covered by contributions in kind of their subscribers in accordance with the procedure set by the Law on Companies. The COMPANY'S shares must be fully paid up within the time-limit set in the share subscription agreement, which may not exceed 12 months from the date of signing of the agreement and pursuant to the requirements of the Law on Companies and these ARTICLES OF ASSOCIATION.

6.5. The contribution in kind must be evaluated by an independent property valuer according to the procedure laid down in the legal acts regulating property valuation before the General Meeting of Shareholders which shall adopt the decision to increase the authorised capital of the COMPANY by issuing the shares for this contribution. The full contribution in kind shall be transferred to the COMPANY within the period of payment of initial contributions.

6.6. If a subscriber fails to pay for the shares within the time limit set in the share subscription agreement, it shall be deemed that the COMPANY itself acquired the shares and that the share subscription agreement entered into with that person is void; the contributions for the shares subscribed for shall not be returned. The COMPANY must, within 12 months after the expiry of the time-limit set for share subscription, transfer the shares to the ownership of other persons or reduce the authorised capital by cancelling the shares.

7. COMPANY'S GOVERNANCE

7.1. The COMPANY'S bodies shall be as follows:
1) the General Meeting of Shareholders;
2) the Supervisory Board;
3) the Board;
4) the Manager of the COMPANY (General Director).

7.2. The COMPANY'S governance bodies must act only to the benefit of COMPANY and its shareholders. The COMPANY'S bodies shall have no right to make decisions or perform any other actions that are in conflict with the laws, ARTICLES OF ASSOCIATION of the COMPANY or are opposite to the COMPANY'S objectives specified in the ARTICLES OF ASSOCIATION, demonstrably exceed the normal production-economic risk, are apparently detrimental or uneconomic.

7.3. Each candidate to the members of the COMPANY'S Supervisory Board, the Board or to the position of the Manager of COMPANY must inform the electing governance body where and which position he/she holds and how his/her other activity is related to the COMPANY.

General Meeting of Shareholders

7.4. The supreme body of the COMPANY is the General Meeting of Shareholders wherein all persons, who are the shareholders of COMPANY on the day of accounting of shares, have the right to participate. The members of the Supervisory Board, the Board and the General Director have a right to participate and make statements at the General Meeting of Shareholders.

7.5. The General Meeting of Shareholders shall have an exclusive right to:
1) amend and supplement ARTICLES OF ASSOCIATION of the COMPANY (save for the exceptions set by the Law on Companies);
2) elect and remove the Supervisory Board of the COMPANY or individual members thereof;
3) select and remove the audit company, set the conditions for auditor remuneration, determine annual payments (bonuses) of the net profit to the members of the Supervisory Board and the Board in view of provisions of the Law on Companies and set the principles, condition of and procedure for payment of remuneration to the members of the Supervisory Board and the Board for activity in the collegial body of the COMPANY;
4) approve the set of annual financial statement, other documents stipulated in the Law on Companies;
5) determine the class, number, nominal value and the minimum issue price of the shares issued by the COMPANY;
6) make a decision to issue convertible debentures;
7) make a decision on profit/loss appropriation;
8) make a decision to withdraw for all the shareholders the right of pre-emption in acquiring the shares or convertible debentures of a specific issue of the COMPANY;
9) make a decision to increase the authorised capital;
10) make a decision to reduce the authorised capital, except where otherwise provided by the Law on Companies of the Republic of Lithuania;
11) make a decision regarding conversion of shares of one type or class into shares of another type or class and approve share conversion procedure;
12) make a decision on the reorganisation or division of the COMPANY and approve the terms of reorganisation or division;
13) make a decision to transform the COMPANY;
14) make decisions regarding the restructuring of COMPANY in cases specified in the Law on Restructuring of Enterprises;
15) make a decision to liquidate the COMPANY, cancel the liquidation of the COMPANY, except where otherwise provided by the Law on Companies of the Republic of Lithuania;
16) make a decision on the formation, use, reduction and liquidation of reserves;
17) approve the procedure of evaluation of contributions in kind (property contributions);
18) make a decision for the COMPANY to acquire own shares;
19) change the office of the COMPANY;

20) make a decision regarding the approval of the remuneration policy of public limited liability companies the shares whereof are permitted to be traded in the regulated market;
21) make a decision regarding conversion of COMPANY'S shares of one class into shares of another class, approve the description of share conversion procedure;
22) make a decision to change the number of shares of the same class issued by the COMPANY and the nominal value of share without changing the amount of authorised capital;
23) approve the set of interim financial statements formed seeking to make a decision regarding the provision of dividends for a period shorter than the financial year;
24) make a decision regarding the allocation of dividends for a period shorter than financial year;
25) select and dismiss the liquidator of the COMPANY, except where otherwise provided by the Law on Companies;
26) decide on other matters assigned within the scope of its powers by the Law on Companies and the ARTICLES OF ASSOCIATION, unless these have been assigned under the Law on Companies within the scope of powers of other bodies of the COMPANY and provided by their essence these are not the functions of the governance bodies.

Procedure for convocation of, voting and decision-making at the General Meeting of Shareholders

7.6. The right of initiative to convene the General Meeting of Shareholders shall be given to the Supervisory Board, the board and the shareholders holding at least 1/10 of all votes.

7.7. The General Meeting of Shareholders shall be convened at the decision of the Board. If the members of the Board constitute no more than a half of their number specified in the ARTICLES OF ASSOCIATION of if the Board fails to convene the General Meeting of Shareholders in cases and within the time-limits set by the Law on Companies, it shall be convened at the decision of the Manager of the COMPANY. The General Meeting of Shareholders may be convened at the decision of shareholders holding over 1/2 of all votes if the COMPANY'S Board or the Manager of the COMPANY failed to make a decision to convene the General Meeting of Shareholders within the period of time set by the Law on Companies.

7.8. The General Meeting of Shareholders may be convened by the order of the court if:
1) the annual General Meeting of Shareholders has not taken place within the time limit established by the Law on Companies after the end of the financial year and at least one shareholder has applied to the court;
2) the persons or COMPANY'S bodies having the right of initiative to convene the General Meeting of Shareholders applied to the court with a complaint about the failure by the Board or the Manager of the COMPANY to convene the General Meeting of Shareholders in cases specified by the Law on Companies;
3) the persons who initiated of the convening of the General Meeting of Shareholders applied to the court complaining that the Board or the Manager of the COMPANY have not convened the General Meeting of Shareholders upon the submission of the request as required under the Law on Companies;
4) at least one of the COMPANY'S creditors applied to the court with a complaint about the failure to convene the General Meeting of Shareholders when it was discovered that the COMPANY'S equity fell below 1/2 of the authorised capital specified in the Articles of Association.

7.9. The Board must convene the annual General Meeting of Shareholders each year within the time limit established by the Law on Companies after the end of the financial year.

7.10. The initiators of the General Meeting of Shareholders shall submit a request to the Board (or, in cases specified in the Law on Companies, to the Manager of the COMPANY) where they must state the reasons for convening the General Meeting of Shareholders and its purposes, submit proposals regarding the agenda, date and venue of the meeting, drafts of the proposed decisions. The General Meeting of Shareholders shall be held within 30 days after the date of receipt of the request. It shall not be mandatory to convene the General Meeting of Shareholders if the request does not comply with all the requirements set forth in this paragraph and the required documents have not been submitted or the issues proposed for the agenda are not within the scope of powers of the General Meeting of Shareholders.

7.11. The extraordinary General Meeting of Shareholders shall be convened if:

1) the COMPANY'S equity capital falls below 1/2 of the authorised capital specified in the Articles of Association and the issue has not been discussed at the annual General Meeting of Shareholders;
2) the number of the members of the Supervisory Board has declined to 2/3 of their number indicated in the Articles of Association or is lesser than their minimum number prescribed in the Law on Companies;
3) the audit company terminates the contract with the COMPANY or is for any other reasons unable to audit the COMPANY'S annual statements where audit is mandatory under the Law on Companies or the Articles of Association;
4) the convening of the General Meeting of Shareholders is requested by the shareholders having the right of initiative to convene a General Meeting, the Supervisory Board, the Board or, where board is not formed, by the Manager of the COMPANY;
5) it is required under the Law on Companies and other laws or the COMPANY'S ARTICLES OF ASSOCIATION.

7.12. The agenda of the General Meeting of Shareholders shall be drawn up by the COMPANY'S Board or, in cases specified by the Law on Companies, by the Manager of the COMPANY. The items proposed by the initiators of the General Meeting of Shareholders must be put on the agenda of the meeting.

7.13. The agenda of the General Meeting of Shareholders may be supplemented with the proposals to add new issues by the Supervisory Board, the Board or shareholders who hold shares with no less than 1/20 of all votes. The proposal to supplement the agenda may be submitted no later than 14 days before the General Meeting of Shareholders. The COMPANY'S bodies and persons indicated in this paragraph shall present the draft decisions on the proposed issues together with the proposal and may propose additional candidates to the COMPANY'S bodies, the audit company.

7.14. The Board adopting the decision to convene the General Meeting of Shareholders shall provide the Manager of the COMPANY with information and documents necessary for the notification on the convocation of the General Meeting of Shareholders. The Manager of the COMPANY shall inform the shareholders on the convocation of the General Meeting of Shareholders in accordance with the procedure set by these ARTICLES OF ASSOCIATION.

7.15. If removal of the members of COMPANY'S Supervisory Board or other governance bodies or the audit company is on the agenda of the General Meeting of Shareholders, the issues relating to the election of new members to the COMPANY'S bodies or new audit firm must be put on the agenda of the meeting accordingly.

7.16. The General Meeting of Shareholders shall have any right to make decisions regarding the issues that were not scheduled in the agenda, if not all COMPANY'S shareholders having the right to vote attend the meeting.

7.17. Only the agenda of the General Meeting of Shareholders which was not held shall be valid at the repeated General Meeting.

7.18. The General Meeting of Shareholders may adopt decisions by shareholders who hold shares carrying not less than 1/2 of all votes. After the presence of a quorum has been established, the quorum shall remain continuously throughout the meeting. If the quorum is not present, a repeated meeting must be convened, which shall be authorised to adopt decisions only on the issues on the agenda of the meeting that has not been held and to which the quorum requirements shall not apply.

7.19. If the shareholder exercises his/her right to take a written vote, upon being presented for scrutiny the agenda of the General Meeting of Shareholders and draft decisions, he/she shall fill in and submit to the COMPANY a general ballot paper notifying the General Meeting whether he/she is 'for' or 'against' each decision. The shareholders who took a written vote in advance shall be considered as being present at the General Meeting of Shareholders and their votes shall be included in the quorum of the meeting and the results of voting. The general ballot papers of the meetings which have not taken place shall be valid at the repeated meetings.
7.20. Voting at the General Meeting of Shareholders shall be decided on a show of hands. Secret voting shall be mandatory to all shareholders on the issues on which at least one shareholder requests a secret vote be taken,

provided that he/she is supported by shareholders whose shares carry at least 1/10 of the votes at the General Meeting of Shareholders.

7.21. The shareholders (their representative persons) present at the General Meeting shall be registered in the shareholder registration list. This list shall provide the number of votes held by each shareholders and shall be signed by the chairman and secretary of the meeting. The registration list shall contain shareholders who have already voted in the form of general voting ballot paper.

7.22. Each General Meeting of Shareholders shall elect a chairman and a secretary except if the meeting is attended by less than three shareholders. In such case (when the meeting is attended by less than three shareholders), the registration list and minutes of the General Meeting shall be signed by each shareholder who attended the meeting.

7.23. The minutes shall be taken of the General Meetings of Shareholders in accordance with the procedure set by the laws. The minutes shall be signed by the chairman, secretary of the meeting and may be signed by the authorised person(s) of the General Meeting of Shareholders no later than within 7 days. The minutes shall be enclosed with the list of registration of the shareholders who attended the meeting, the proxies and other documents certifying the persons' voting right; the general ballot papers of the shareholders who voted in advance in writing, documentary proof that the shareholders having been notified of the General Meeting, comments on the minutes and conclusion on the comments given by the persons who signed the minutes.

7.24. The decisions of the General Meeting of Shareholders are made on the basis of the ordinary majority of votes of shareholders participating at the Meeting, except for cases when the Law on Companies indicates that the decisions shall be taken by the qualified majority of votes.

The Supervisory Board

7.25. The Supervisory Board of the COMPANY is a collegial body supervising the activities of the COMPANY. It consists of 3 members, the members of the Supervisory Board shall be elected at the General Meeting of Shareholders for a period of 4 years. The number of the terms of office a member may serve on the Supervisory Board shall not be limited. During the election of the Supervisory Board members, each shareholder shall have the number of votes equal to the number of votes carried by the shares he owns multiplied by the number of members of the Supervisory Board being elected. The shareholder shall distribute the votes at his/her discretion – giving them for one or several candidates. The candidates who receive the greatest number of votes shall be elected. If the number of candidates who received an equal number of votes is greater than the number of vacancies on the Supervisory Board, a repeat voting shall be held in which each shareholder may vote only for one of the candidates who received an equal number of votes. The activity of the Supervisory Board is managed by the chairman who is elected from its members by the newly elected Supervisory Board. The procedure of work of the Supervisory Board shall be laid down in the rules of procedure of the Supervisory Board adopted by it.

7.26. Only a natural person with legal capacity may serve as the member of the Supervisory Board. Each candidate to the office of the members of the Supervisory Board shall inform the shareholders about where and what positions he/she holds. Prohibited from serving on the Supervisory Board shall be:

1) the Manager of the COMPANY, subsidiary COMPANY and parent COMPANY of this company;
2) a member of the Board of the COMPANY, subsidiary COMPANY and parent COMPANY of this company;
3) a person who under the legal acts of the Republic of Lithuania may not serve in this office.

7.27. The General Meeting of Shareholders may remove from the office the entire Supervisory Board or its individual members before the expiry of the term of office thereof.

7.28. A member of the Supervisory Board may resign from the office prior to the expiry of his/her term of office by giving a written notice thereof to the Supervisory Board at least 14 days in advance.

7.29. If a member of the Supervisory Board is removed from the office, resigns or stops performing his/her duties for any other reason and the shareholders who hold at least 1/10 of all votes in the company object to

the election of individual members of the Supervisory Board, the Supervisory Board shall lose its powers and the entire Supervisory Board shall be subject to election. Where individual members of the Supervisory Board are elected, the term of office for which they are elected shall be only until the expiry of the term of office of the current Supervisory Board.

7.30. The Supervisory Board shall:

1) elect the members of the Board and remove them from office. If the COMPANY is operating at a loss, the Supervisory Board must consider the suitability of the Board members for their office;
2) supervise the activities of the Board and the Manager of the COMPANY;
3) submit its comments and proposals to the General Meeting of Shareholders on the operating strategy, annual statements, draft of profit appropriation and the report on the activities of the COMPANY as well as activities of the Board and the Manager of the COMPANY;
4) submit its proposals to the Board and the manager of the COMPANY to revoke their decisions which are not in conformity with the laws and other legal acts, Articles of Association of the COMPANY or the decisions of the General Meeting of Shareholders;
5) address any other issues assigned within its powers by the Articles of Association of the COMPANY as well as by the decisions of the General Meeting of Shareholders regarding the supervision of the activities of the COMPANY and its governance bodies;
6) represent the COMPANY at the court in examination of disputes between the COMPANY and the member of its Board, the Manager of the COMPANY and its Deputy Manager;
7) at the decision of the Board, solves the issues regarding the termination of employment contract of the member of the Supervisory Board working in the COMPANY;
8) if the General Meeting of Shareholders of the COMPANY allocates bonuses or sets the principles, conditions and procedure for payment of remuneration to the collegial bodies of the COMPANY, the Supervisory Board of the COMPANY shall have a right to set the principles, conditions and procedure for payment of bonuses and decide on the amount of remuneration payable to the members of collegial bodies according to the principles, conditions and procedure set by the General Meeting of Shareholders.

7.31. The Supervisory Board shall have no right to assign or transfer the performance of own functions to the Board or the Manager of the COMPANY.

7.32. The Supervisory Board shall have a right to appoint the audit company to check and evaluate the accounting and financial accountability of the COMPANY. The General Meeting of Shareholders may set the limit for payment of the funds that may be allocated to the services of the audit company.

7.33. At the request of the Supervisory Board, the COMPANY'S Manager and the Board must present it with the documents related to the COMPANY'S activity as well as form the conditions to check the property. Members of the Supervisory Board must keep the commercial secrets which they learned serving on the Supervisory Board confidential.

7.34. The Supervisory Board shall start its activities after the expiry of the General Meeting of Shareholders electing it, except for cases when the General Meeting of Shareholders accepts the amendments of the ARTICLES OF ASSOCIATION regarding the number of the members of the Supervisory Board – the newly elected members of this body shall start their activities no earlier than from the registration of the amendments made to the ARTICLES OF ASSOCIATION in accordance with the procedure established by the laws.

7.35. The procedure of work of the Supervisory Board shall be laid down in the rules of procedure of the Supervisory Board adopted by it.

7.36. The meetings of the Supervisory Board shall be organised at least once a quarter. The ordinary meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board and, in case of absence thereof, the deputy chairman, in accordance with the procedure established by the ARTICLES OF ASSOCIATION according to the schedule. Extraordinary meetings shall be convened at the request of at least 1/3 of the members of the Supervisory Board. The procedure for publication of meetings shall be set in the rules of procedure of the Supervisory Board.

7.37. Members of the Supervisory Board shall have equal rights. At the time of voting, each member shall have one vote – in case of equal number of votes, the chairman shall have a decisive vote.

7.38. A member of the Supervisory Board may express his/her will by taking a written vote 'for' or 'against' the decision put for vote, provided that he/she has familiarised himself/herself with the draft decision. Voting by telecommunication terminal equipment shall be equivalent to voting in writing provided that confidentiality of communications is guaranteed and there are means for verifying the signature.

7.39. The Supervisory Board shall be entitled to make decisions and its meeting shall be considered to have been held if attended by more than a half of the members of the Supervisory Board. The members of the Supervisory Board who voted in advance shall also be considered to have attended the meeting. The decision of the Supervisory Board shall be taken if the number of votes cast for it is greater that the number of votes cast against, unless the Articles of Association of the COMPANY require a larger majority. The decision to remove a member of the Board from office may be taken if at least 2/3 of the members of the Supervisory Board present at the meeting vote for it.

7.40. The members of the Supervisory Board shall be liable for the concealment of the violations of the economic activity of the COMPANY, poor control of the economic activity in accordance of the procedure set by the laws, if this enabled the Board or the Manager of the COMPANY to violate the laws of the Republic of Lithuania or the ARTICLES OF ASSOCIATION of the COMPANY.

Board of the COMPANY

7.41. The Board of the COMPANY is a collegial management body organising the activities of the COMPANY and making decisions on the most important matters of its business. The procedure of work of the Board shall be established by its rules of procedure. The Board shall consist of 7 (seven) members elected by the Supervisory Board for a term not exceeding 4 years. The number of terms of office shall be unlimited. The Board shall be headed by a chairman elected from among its members.

7.42. Only a natural person with legal capacity may be elected (appointed) to the member of the COMPANY'S Board (not necessarily the shareholder of the COMPANY). The following persons may not serve as the members of the Board:

1) a member of the Supervisory Board of the COMPANY, subsidiary COMPANY or the parent COMPANY of the company;
2) a person who under the legal acts may not serve in this office.

7.43. A member of the Board may resign from the office prior to the expiry of his/her term of office by giving a written notice thereof to the company at least 14 days in advance.

7.44. The Supervisory Board may remove from office the entire Board or its individual members before the expiry of the term of office thereof.

7.45. The Board shall consider and approve:

1) the operating strategy of the COMPANY;
2) the structure of management and positions in the COMPANY;
3) the positions to which employees are recruited by holding competitions;
4) regulations of branches and representative offices of the COMPANY;
5) job description, remuneration and other employment conditions of the Manager of the COMPANY.

7.46. The Board shall elect and dismiss the Manager of the COMPANY.

7.47. The Board shall analyse and evaluate the documents submitted by the Manager of the COMPANY on the following:

1) the implementation of the operating strategy of the COMPANY;
2) the organisation of the activities of the COMPANY;
3) the financial status of the COMPANY;

4) the results of business activities, income and expenditure estimates, the stocktaking data and other accounting data of changes in the assets;
5) financial reserves' accumulation sources and methods of usage;
6) COMPANY'S transactions.

7.48. The Board shall analyse and evaluate draft annual financial statements, the management report and profit distribution proposal, and submit them to the Supervisory Board and the General Meeting of Shareholders.

7.49. The Board must ensure that the set of annual financial statements of the COMPANY, the management report, including information on corporate governance, information on remuneration and information on sustainability matters, as well as other documents and information necessary for consideration of the items on the agenda of the General Meeting of Shareholders, are submitted to the shareholders.

7.50. The Board shall made decisions on the following matters:
1) decisions for the COMPANY to become an incorporator or a member of other legal persons;
2) decisions to open branches and representative offices of the COMPANY;
3) decisions to invest, transfer or lease the tangible long-term assets the book value whereof exceeds 1/20 of the authorised capital of the COMPANY (calculated individually for every type of transaction);
4) decisions to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the authorised capital of the COMPANY (calculated for the total amount of transactions);
5) decisions to offer surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/20 of the authorised capital of the COMPANY;
6) decisions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the authorised capital of the COMPANY;
7) decisions to approve the conditions of company's restructuring, reorganisation and/or projects for restructuring, reorganisation of COMPANY(IES);
8) decisions to join associations, concerns and/or consortiums and secession from these organisations;
9) to allocate funding for charity, health care, education, culture, research activities, physical training and sports activities as well as liquidation of consequences of natural calamities and extreme situations;
10) set the amount of the funds used by the Manager of the COMPANY;
11) other decisions within the powers of the Board as prescribed by the legal acts ARTICLES OF ASSOCIATION of the COMPANY or the decisions of the General Meeting of Shareholders.

7.51. Every member of the Board shall have a right of initiative to convene a Board meeting. During voting each member shall have one vote. A member of the Board shall not be entitled to vote when the meeting of the Board discusses the issue related to his/her work on the Board or the issue of his/her responsibility.

7.52. Unless the Manager of the COMPANY is a member of the Board, the Board must invite him/her to every meeting and give him/her access to information on the issues on the agenda.

7.53. The Board shall be prohibited from restricting the powers of the auditor or disturb his/her work in any other way.

7.54. The Board shall set information (list of confidential information) which shall be considered as the commercial secret of the company. The Board has a right to form, supplement and amend or specify (concretise) the scope of the list of commercial secret of the COMPANY and regulate independently by including new information, as well as stipulate the main criteria of amendment and supplement of such list as well as the form and content of written undertaking not to publish confidential information. The Board shall also set the procedure for storage, use, supply of confidential information to other persons inasmuch it is not stipulated by the Law on Companies of the Republic of Lithuania, the procedure for destruction of copies of accounting and documents and take any other measures for protection of such information.

Manager of the COMPANY

7.55 The Manager of the COMPANY is a General Director who observes the ARTICLES OF ASSOCIATION of the COMPANY, decisions of the General Meeting of Shareholders, resolutions of the Board.

7.56. The Manager of the COMPANY can have deputies (the number whereof is unlimited) and advisers (subject to the need only that directly depends on the scope of economic-commercial activity).

7.57. The Manager of the COMPANY is elected and removed from the office by the Board of the COMPANY. The competition can be held for the recruitment of the Manager of the COMPANY. The COMPANY is responsible for submitting data about the election or dismissal of the Manager of the COMPANY to the manager of the Register of Legal Persons in writing no later than within 5 days.

7.58. The Manager of the COMPANY shall be a natural person with legal capacity with whom the employment contract shall be concluded. A person may not be the Manager of the COMPANY if under laws of the Republic of Lithuania he/she is not entitled to hold the position and cannot be the manager and inspector of the other company.

7.59. The employment contract with the Manager of the COMPANY shall be signed by the chairman of the Board. If the Manager of the COMPANY is the chairman of the Board, the employment contract with him/her shall be signed by the member of the Board authorised by the Board.

7.60. The Manager of the COMPANY participates in the meetings of COMPANY'S Board with the right of advisory vote, if he/she is not a member of the Board.

7.61. The Manager of COMPANY (the General Director):

1) manages the administration of the COMPANY;
2) concludes transactions within his/her competency on behalf of the COMPANY;
3) represents the COMPANY in relations with third parties and in the court or arbitration. The Manager of the COMPANY acquires the right to represent the COMPANY as from the date set in the employment contract;
4) opens and closes the COMPANY'S bank accounts in banking institutions;
5) prepares the COMPANY'S management structure, lists of duties, compensation and motivation for work systems and submits them for the approval of the Board;
6) prepares the draft of share subscription agreement;
7) recruits and dismisses employees, forms and terminates the employment contracts with them, evaluates the results of work, imposes disciplinary penalties and promotions to the employees, including of the material nature;
8) accepts the rules of procedure, approves the articles of associations of the COMPANY'S branches, rules of procedure of the administration;
9) issues proxies to perform functions within his/her competency as well as issues a power of procuration;
10) convenes the General Meeting of Shareholders in cases stipulated in the Law on Companies, organises it, prepares the draft documents to the General Meeting of Shareholders;
11) ensures the protection of COMPANY'S assets and commercial secrets;
12) performs any other functions stipulated by the laws and these Articles of Association;
13) has the disposition of COMPANY'S assets, including the money funds.

7.62. The Manager of the COMPANY uses the funds of the Manager of the COMPANY to the interests of the COMPANY.

7.63. The Manager of the COMPANY shall be responsible for the following:

1) organisation of activities and implementation of objectives of the COMPANY;
2) preparation of the set of annual financial statements and the management report and submission of the audited set of annual financial statements for approval to the General Meeting of Shareholder;
3) conclusion of contract with the audit company where the audit is mandatory or required under the Articles of Association of the COMPANY;
4) submission of information and documents to the General Meeting of Shareholders, the Supervisory Board and the Board in cases laid down in the Law on Companies or at their request;

5) submission of documents and particulars of the COMPANY to the administrator of the Register of Legal Persons;
6) the submission of documents of the COMPANY to the Bank of Lithuania and the Central Securities Depository of Lithuania;
7) publication of information provided for by the Law on Companies in the source specified in the ARTICLES OF ASSOCIATION;
8) submission of information to the shareholders;
9) fulfilment of any other duties laid down by the laws and legal acts as well as in the ARTICLES OF ASSOCIATION of the COMPANY and the job description of the Manager of the COMPANY.

7.64. The General Director of the COMPANY shall be accountable to and shall regularly report to the Board.

8. AUDIT OF THE COMPANY

8.1. After the end of the financial year, the audit company shall audit the set of annual financial statements of the COMPANY and present an auditor's conclusion. The Manager of the COMPANY shall ensure that all mandatory documents, including the management report and information on sustainability matters, are prepared and submitted within the time limits established by legal acts. Information on sustainability matters shall be verified in accordance with the procedure established by legal acts and a sustainability assurance conclusion shall be provided thereon. The audit shall be performed by the audit company with which the COMPANY has concluded an audit services agreement. The Manager of the COMPANY shall ensure that the set of annual financial statements, the management report and other documents are submitted to the manager of the Register of Legal Entities within the time limits established by legal acts..

8.2. The audit company shall be elected and the conditions for payment for the audit services shall be established by the General Meeting of Shareholders. The competition (closed or open) can be organised for the recruitment of the audit company.

8.3. The audit shall be carried out in accordance with the legal acts of the Republic of Lithuania regulating audit and the work of auditors. A confidentiality agreement shall be signed with the auditor.

8.4. The auditor must keep the confidentiality of all COMPANY'S secrets he/she learned in performance of his/her contractual obligations in the course of inspection of COMPANY'S financial activities. The COMPANY'S auditor shall be liable for disclosure (publication) of the COMPANY'S commercial secret in accordance with the procedure set by the laws.

8.5. The Board of the COMPANY and the Manager of the COMPANY must ensure that the auditor receives all the COMPANY'S documents necessary to carry out the audit.

9. PROCEDURE FOR SUBMISSION OF COMPANY'S DOCUMENTS TO THE SHAREHOLDERS AND DISCLOSURE OF INFORMATION

9.1. All COMPANY'S notices shall be published within the time-limits set by the laws of the Republic of Lithuania. The Manager of the COMPANY shall be responsible for the publication of notices. Disputes relating to the shareholders' right to information shall be settled by the court.

9.2. At the written request of a shareholder, the COMPANY shall, no later than within 7 days from the date of receipt of the request, provide the shareholder with an opportunity to inspect and/or provide copies of the COMPANY'S Articles of Association, sets of annual and interim financial statements, the COMPANY'S management report, auditor's conclusions and audit reports on financial statements, sustainability assurance conclusions, minutes of General Meetings of Shareholders or other documents formalising decisions of the General Meeting of Shareholders, proposals or comments of the Supervisory Board to the General Meetings of Shareholders, lists of shareholders, lists of members of the Supervisory Board and the Board, other documents of the COMPANY which must be public under the laws, as well as copies of other documents provided for in the ARTICLES OF ASSOCIATION of the COMPANY. The COMPANY may refuse to provide the shareholder with an opportunity to inspect and/or provide copies of documents related to the commercial (industrial) secret or confidential information of the COMPANY, except where the COMPANY'S

information is necessary for the shareholder to comply with imperative requirements established by other legal acts and the shareholder ensures the confidentiality of such information. The COMPANY must provide the shareholder with an opportunity to inspect 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 in complying with requirements established by other laws and the shareholder ensures the confidentiality of such information and documents. The COMPANY may refuse to provide the shareholder with copies of documents if it is impossible to establish the identity of the shareholder requesting the documents. At the shareholder's request, the COMPANY must formalise in writing its refusal to provide the shareholder with access to documents and/or submit copies of documents. Disputes relating to the shareholder's right to information shall be settled by the court..

9.3. The COMPANY'S documents or any other information to the shareholders (after submission of written statement) shall be submitted within 30 calendar days for a consideration: at least EUR 3 per one page and at least EUR 500 per one list.

9.4. The list of shareholders presented to the shareholders and upon written consent of the shareholders shall give the full names of the shareholders (the names of legal persons) and without written consent of the shareholders shall give the number of COMPANY'S registered shares owned by the shareholders, the shareholders' addresses for correspondence according to the most recent data available to the COMPANY.

1) Shareholders' addresses for correspondence – Sedos g. 35, LT-87101 Telšiai, the Republic of Lithuania.
2) Shareholders' addresses (for security reasons) may be submitted to other shareholders only upon personal written consent of each shareholder (at his/her request).

9.5. At least 10 days before the General Meeting of Shareholders, the shareholders shall be granted access to the documents available to the COMPANY relating to the agenda of the meeting, including draft decisions and the request prepared by the persons who initiated the convening of the General Meeting of Shareholders to the Board. If the shareholder requests so in writing, the COMPANY'S manager shall within 3 days from the receipt of the written request deliver to him/her against his/her signed acknowledgement of receipt all draft decisions of the meeting or shall send him/her the above drafts by a registered letter. A notice must be given with the draft decisions indicating on whose initiative they have been submitted. Where the author of the draft decision submitted its explanations, these must be attached to the draft decision.

9.6. Public notices of the Company shall be published in the electronic publication designated for public notices administered by the manager of the Register of Legal Entities in accordance with the procedure established by the Government of the Republic of Lithuania. The Board of the Company may also determine additional sources for publication of public notice .

10. THE DECISION-MAKING PROCEDURE FOR THE ESTABLISHMENT OF COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND TERMINATION OF THEIR ACTIVITY

10.1. At the resolution of the Board, the COMPANY shall have a right to establish branches and representative offices in the Republic of Lithuania and abroad.

10.2. The Articles of Association of the branch and representative office shall be approved by the Board of the COMPANY.

10.3. The activity of the branch and representative office shall be organised and performed by the manager appointed by the Manager of the COMPANY.

10.4. The branch or representative office are registered in accordance with the procedure set by the laws and are considered as established after the day of their registration.

10.5. The activity of the branch or representative office may be terminated in the following cases:

1) the period of activity of branch set forth in the regulations of the branch expires;
2) the COMPANY makes a decision to terminate the activity of the branch or representative office;
3) the COMPANY is under liquidation.

10.6. Upon the of decision to terminate the activity of the branch or representative office, the COMPANY'S board shall appoint a person in charge of the procedure of termination of the activity.

10.7. The property of COMPANY'S branches shall be included in the COMPANY'S balance sheet and also in separate balance sheets of branches, where necessary.

11. MISCELLANEOUS

11.1. The COMPANY'S Articles of Association shall be modified in accordance with the procedure established by the Law on Companies.

11.2. The issues not regulated by these ARTICLES OF ASSOCIATION shall be regulated by the legal acts.

The Articles of Association were amended/supplemented at the General Meeting of Shareholders on 30 April 2003 (Minutes No 2) and registered on 20 June 2003 with amendments registered on 30 December 2003 in State Enterprise Centre of Registers, company number 8024075, and approved (adopted) at the meeting of shareholders of AB Žemaitijos pienas on 1 May 2004 (Minutes No 2) pursuant to the Law on Companies of the Republic of Lithuania (wording of 11 December 2003, No IX-1889).
The Articles of Association were amended and supplemented at the General Meeting of Shareholders of AB Žemaitijos pienas on 22 June 2005 (Minutes No 2).
The Articles of Association were amended and supplemented at the General Meeting of Shareholders of AB Žemaitijos pienas on 8 February 2008 (Minutes No 1).
The Articles of Association were amended and supplemented at the General Meeting of Shareholders of AB Žemaitijos pienas on 8 April 2011 (Minutes No 1).
The Articles of Association were amended at the General Meeting of Shareholders of AB Žemaitijos pienas on 24 April 2015 (Minutes No 1) after the entry into force of the requirements of the Law on the Euro Adoption of the Republic of Lithuania.
The Articles of Association were amended at the General Meeting of Shareholders of AB Žemaitijos pienas on 28 October 2016 (Minutes No 5) after the increase of the number of the members of the Board of COMPANY as well as after their adjustment with the changed requirements of the Law on Companies of the Republic of Lithuania.
The Articles of Association were amended at the General Meeting of Shareholders of AB Žemaitijos pienas on 18 December 2019 (Minutes No 4) upon the approval of the reorganisation of AB Žemaitijos pienas and AB Baltijos mineralinių vandenų kompanija in the form of merger.
The Articles of Association were amended on 02-08-2021 after the General Meeting of Shareholders of Žemaitijos Pienas AB decided to reduce (partially) the authorized capital of the Company.
The Articles of Association were amended on 15-04-2022 after the General Meeting of Shareholders of Žemaitijos Pienas AB decided to reduce (partially) the authorized capital of the Company.
The Articles of Association were amended on 25-07-2023 after the General meeting of shareholders of Žemaitijos Pienas, AB due to decision to change the registration address of Vilnius branch office of Žemaitijos pienas, AB.

The Articles of Association were amended on 24 April 2026 pursuant to a resolution of the General Meeting of Shareholders of AB "ŽEMAITIJOS PIENAS" to reduce the authorised capital of the Company

The person authorised by the General Meeting of Shareholders of ŽEMAITIJOS PIENAS, AB to sign these Articles of Association of ŽEMAITIJOS PIENAS, AB

General Director Robertas Pažemeckas _____
(signature)