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CLAIM
25/06/2019

REGARDING FAILURE BY AB KLAIPĖDOS NAFTA
TO COMPLY WITH ARTICLE 16¹ OF THE LAW ON
COMPANIES AND TO PROVIDE ANSWERS TO
QUESTIONS AS TO THE EXTRAORDINARY
MEETING OF SHAREHOLDERS OF 27 JUNE 2019

On 18 June 2019, UAB koncernas ACHEMOS GRUPĖ ('**KAG**') represented by Leadell Balčiūnas ir Grajauskas Law Firm requested AB Klaipėdos nafta ('**KN**') to provide answers to the questions as to the agenda of the extraordinary general meeting of shareholders AB Klaipėdos nafta to be held on 27 June 2019 (the '**GMS**') as soon as possible but no later than by 25 June 2019 due to a large amount of missing information, so that the shareholders are able to familiarise themselves with the information and to prepare for the **GMS**.

However, instead of providing the information requested by its shareholder **KAG**, **KN** sent a letter on 21 June 2019 pointing out that no valid power of attorney was appended to the request of 18 June 2019. Please note that it is clearly stated in the second paragraph of the Representation Agreement of 10 August 2015 appended to the request that the term of validity of the agreement is indefinite. The reissued power of attorney dated 10 August 2015 that has been submitted to **KN** as well also states that it is valid throughout the term of validity of the Representation Agreement. Furthermore, the Supreme Court of Lithuania has held that a solicitor represents the client on the basis of an agreement of legal services rather than on the basis of a power of attorney that expresses unilateral will of the principal (Article 1.63(3) of the Civil Code of the Republic of Lithuania (CC RL)) and, provided that no term of validity is set in the said agreement, powers of the solicitor do not expire after one year from the date of conclusion of the agreement (Article 2.142(2) of CC RL) (*judgment of the Supreme Court of Lithuania of 7 February 2007 in civil case No 3K-3-54/2007 etc.*). Decision on the term of solicitor's powers should be taken according to legal provisions governing validity and expiry of agreements/contracts rather than according to Article 2.142(1) of CC RL (as it is groundlessly stated in **KN**'s letter of 21 June 2019). In the case concerned, **KAG** has appended to its request to **KN** of 18 June 2019 all the documents required for **KN** to fulfil its duties under Article 16¹ of the Law on Companies.

It was only after repeated **KAG**'s requests that **KN** provided incomplete answers to **KAG**'s questions on 26 June 2019, even though answers had been requested as soon as possible, no later than by 25 June 2019 so that the shareholders have the opportunity to familiarise themselves with the information¹. **KN**'s notice of 26 June 2019 does not contain all answers or data requested:

¹ The Property Valuation Report No 40A0-1812-0089 provided by **KN** on 26 June 2019 consists of 334 pages.

- **Failure to provide KN's estimated split-off balance sheet as of 30 September 2018** (Question 2 in KAG's request of 18 June 2019). KN did not provide this balance sheet, having decided for its shareholders that data in the estimated balance sheet as of 30 September 2018 would not provide relevant information to them;
- **Failure to provide the report issued by TGS Baltic Law Firm on 19 August 2018** (Question 3 in KAG's request of 18 June 2019);
- **Failure to provide answers as to the number of employees transferred/posted by KN and information about KN's costs of the transfer/posting of employees to SGD terminalas UAB, a KN's subsidiary** (Question 4 in KAG's request of 18 June 2019);
- **Failure to provide the KN asset stock-taking list, the independent auditor's report on the structure and prices of the company's assets, and the list of AB Klaipėdos nafta debts/liabilities** (Question 6 in KAG's request of 18 June 2019);
- **Failure to provide the cost and benefit analysis of the implementation of decisions included in the agenda for the extraordinary general meeting of shareholders of 27 June 2019 with respect to KN and its shareholders** (Question 7 in KAG's request of 18 June 2019). KN states in its notice of 26 June 2019 that the Board had allegedly made the analysis, however, such analysis was not provided to the shareholders. Attention should be drawn to the fact that a memorandum issued by KN's auditor PricewaterhouseCoopers UAB on 31 December 2018 states that [the difference] between the fair value of the business and the book value of the net asset contribution (including the cash contributed additionally) will be disclosed in the financial statement as a negative reserve **by which the payable dividend will be reduced**. Up until now, the shareholders have not been furnished with information about KN's costs, both incurred and estimated, due to the implementation of decisions listed in the agenda for the extraordinary general meeting of shareholders of 27 June 2019.

KAG believes that, by not providing full information and by proposing the GMS draft decisions as specified in KN's Notice, KN seeks to circumvent the mandatory provisions of the Law on Companies and the Civil Code, thus restricting the shareholders' rights ungroundedly.

Paragraph 24.7 of AB NASDAQ OMX VILNIUS Listing Rules obligates KN to ensure that all means and information enabling them to exercise their rights are available to shareholders. According to p. 24.8 of the said rules, KN must publish, through the information disclosure system, draft decisions of the general meeting of shareholders being convened no later than on the day when the issuer's shareholders are enabled to familiarise themselves with such drafts; in this case KN has failed to do so as the information published was incomplete.

According to p. 6.3 of AB NASDAQ OMX VILNIUS Listed Companies Governance Code, all shareholders should be afforded equal opportunities to familiarise themselves with and to take part in the adoption of decisions important for the company.

In view of foregoing and acting pursuant to Articles 16¹ and 18 of the Law on Companies, we repeatedly request AB Klaipėdos nafta to immediately honour the request of the shareholder UAB koncernas ACHEMOS GRUPĖ dated 18 June 2019 by replying and by providing information concerning the agenda of the extraordinary general meeting of shareholders of AB Klaipėdos nafta of 27 June 2019:

1. To provide an annex to the memorandum issued by AB Klaipėdos nafta's auditor PricewaterhouseCoopers UAB on 31 December 2018, i. e. AB Klaipėdos nafta's estimated split-off balance sheet as of 30 September 2018 (Question 2 in UAB koncernas ACHEMOS GRUPĖ's request of 18 June 2019);
2. To provide the report issued by TGS Baltic Law Firm on 19 August 2018 (Question 3 in UAB koncernas ACHEMOS GRUPĖ's request of 18 June 2019);
3. To specify the number of employees transferred/posted by AB Klaipėdos nafta and information about AB Klaipėdos nafta's costs of the transfer/posting of employees to its subsidiary SGD terminalas UAB (Question 4 in UAB koncernas ACHEMOS GRUPĖ's request of 18 June 2019);

4. To provide the mandatory information referred to in Article 6.404(2) of CC RL, i. e. the AB Klaipėdos nafta's asset stock-taking list, the independent auditor's report on the structure and prices of the company's assets, and the list of AB Klaipėdos nafta's debts/liabilities (Question 6 in UAB koncernas ACHEMOS GRUPĖ's request of 18 June 2019);
5. To provide the cost and benefit analysis of the implementation of decisions included in the agenda for the extraordinary general meeting of shareholders of 27 June 2019 with respect to KN and its shareholders (Question 7 in UAB koncernas ACHEMOS GRUPĖ's request of 18 June 2019).

Sincerely

On behalf of UAB koncernas ACHEMOS GRUPĖ

Solicitor Vaidas Radvila

(Signed with the electronic signature)