

Draft resolutions proposed by AB Zemaitijos pienas for the Ordinary General Meeting held on 9 April 2020

No	Issue of the agenda	Draft resolution																																													
1.	Presentation of the auditor report and consolidated annual report of the Company of 2019.	The auditor report and consolidated annual report, reports on corporate governance and social responsibility and compliance with the corporate governance code have been presented and listened to. No decision is adopted on this issue. The auditor report and consolidated annual report, reports on corporate governance and social responsibility and compliance with the corporate governance code are attached.																																													
2.	Approval of the consolidated annual financial statements of the Company of 2019.	The consolidated annual financial statements (set of financial statements) of the Company have been presented and listened to. The consolidated annual financial statements (set of financial statements) of the Company of 2019 and annexes thereof have been approved. The financial statements attached.																																													
3.	Approval of the profit and loss allocation by the Company for 2019.	<p>To approve the draft resolution of the Board regarding the profit and loss allocation by the Company for 2019:</p> <table border="1" data-bbox="657 869 1522 1787"> <thead> <tr> <th data-bbox="657 869 780 936">Row No</th> <th data-bbox="780 869 1390 936">Profit distribution items</th> <th data-bbox="1390 869 1522 936">Thousand EUR</th> </tr> </thead> <tbody> <tr> <td data-bbox="657 936 780 1003">1</td> <td data-bbox="780 936 1390 1003">Retained profit (loss) of the previous financial year at the end of the reporting financial year</td> <td data-bbox="1390 936 1522 1003">43.490</td> </tr> <tr> <td data-bbox="657 1003 780 1037">2</td> <td data-bbox="780 1003 1390 1037">Net profit (loss) of the reporting financial year</td> <td data-bbox="1390 1003 1522 1037">13.527</td> </tr> <tr> <td data-bbox="657 1037 780 1104">3</td> <td data-bbox="780 1037 1390 1104">Profit (loss) not recognized in the income statement for the reporting financial year</td> <td data-bbox="1390 1037 1522 1104">0</td> </tr> <tr> <td data-bbox="657 1104 780 1227">4</td> <td data-bbox="780 1104 1390 1227"><i>Regarding business combinations – net result (loss) of AB BMVK for the period from 01/10/2019 to 13/31/2019 is accounted in ŽP retained result of the Statement of Changes in Equity</i></td> <td data-bbox="1390 1104 1522 1227">(179)</td> </tr> <tr> <td data-bbox="657 1227 780 1261">5</td> <td data-bbox="780 1227 1390 1261">Transfers from reserves</td> <td data-bbox="1390 1227 1522 1261">10.274</td> </tr> <tr> <td data-bbox="657 1261 780 1361">6</td> <td data-bbox="780 1261 1390 1361">Contributions of shareholders to cover the company's losses (if shareholders have decided to cover all or part of the losses)</td> <td data-bbox="1390 1261 1522 1361">0</td> </tr> <tr> <td data-bbox="657 1361 780 1395">7</td> <td data-bbox="780 1361 1390 1395">Total profit (loss) to be distributed</td> <td data-bbox="1390 1361 1522 1395">67.112</td> </tr> <tr> <td data-bbox="657 1395 780 1429">8</td> <td data-bbox="780 1395 1390 1429">Profit part referred to the legal reserve</td> <td data-bbox="1390 1395 1522 1429">2</td> </tr> <tr> <td data-bbox="657 1429 780 1496">9</td> <td data-bbox="780 1429 1390 1496">Profit part referred to the reserve for acquisition of own shares</td> <td data-bbox="1390 1429 1522 1496">10.000</td> </tr> <tr> <td data-bbox="657 1496 780 1529">10</td> <td data-bbox="780 1496 1390 1529">Profit part referred to the reserve for issue of shares</td> <td data-bbox="1390 1496 1522 1529">0</td> </tr> <tr> <td data-bbox="657 1529 780 1563">11</td> <td data-bbox="780 1529 1390 1563">Profit part referred to other reserves</td> <td data-bbox="1390 1529 1522 1563">0</td> </tr> <tr> <td data-bbox="657 1563 780 1597">12</td> <td data-bbox="780 1563 1390 1597">Profit part referred for payment of dividends *</td> <td data-bbox="1390 1563 1522 1597">1.349</td> </tr> <tr> <td data-bbox="657 1597 780 1664">13</td> <td data-bbox="780 1597 1390 1664">Profit part referred for annual bonuses to the suppliers of raw milk</td> <td data-bbox="1390 1597 1522 1664">1.350</td> </tr> <tr> <td data-bbox="657 1664 780 1787">14</td> <td data-bbox="780 1664 1390 1787">Retained profit (loss) at the end of the reporting financial year, moved to the next financial year</td> <td data-bbox="1390 1664 1522 1787">54.411</td> </tr> </tbody> </table> <p data-bbox="657 1794 1382 1827">* EUR 0.03 for one share (amount payable is EUR 1 348 747)</p>	Row No	Profit distribution items	Thousand EUR	1	Retained profit (loss) of the previous financial year at the end of the reporting financial year	43.490	2	Net profit (loss) of the reporting financial year	13.527	3	Profit (loss) not recognized in the income statement for the reporting financial year	0	4	<i>Regarding business combinations – net result (loss) of AB BMVK for the period from 01/10/2019 to 13/31/2019 is accounted in ŽP retained result of the Statement of Changes in Equity</i>	(179)	5	Transfers from reserves	10.274	6	Contributions of shareholders to cover the company's losses (if shareholders have decided to cover all or part of the losses)	0	7	Total profit (loss) to be distributed	67.112	8	Profit part referred to the legal reserve	2	9	Profit part referred to the reserve for acquisition of own shares	10.000	10	Profit part referred to the reserve for issue of shares	0	11	Profit part referred to other reserves	0	12	Profit part referred for payment of dividends *	1.349	13	Profit part referred for annual bonuses to the suppliers of raw milk	1.350	14	Retained profit (loss) at the end of the reporting financial year, moved to the next financial year	54.411
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4.	Regarding the determination of the budget for the members of the Company collegial bodies for their	To approve the budget of EUR 200,000 (two thousand euros) for the members of the Company collegial bodies for their activities in the Company from the adoption of the resolution by the Ordinary General Meeting of 2020 until the adoption of the resolution by the Ordinary General Meeting of 2021.																																													

	activities in the Company.	
5.	Regarding the formation of the reserve for the redemption of own shares and establishment of the procedure for the redemption of own shares.	<p>1. To redeem the shares of the public limited company Žemaitijos Pienas through the public offer market of AB NASDAQ Vilnius Stock Exchange in accordance with the rules governing this market.</p> <p>2. To establish (form) the reserve for the redemption of own shares and to redeem up to 10 percent of the Company own shares (including the amount of shares owned by the Company before adoption of this decision).</p> <p>3. To determine the conditions for the redemption of own shares:</p> <p>3.1. to use the formed reserve for the redemption of own shares to settle accounts for the redemption of own shares;</p> <p>3.2. the maximum number of ordinary registered shares to be redeemed – up to 10 percent of the number of (all) shares in the company;</p> <p>3.3. the deadline within which the company may redeem its own shares – 18 months after adoption of the decision;</p> <p>3.4. the minimum redemption price of one share is EUR 1.00 and the maximum redemption price is EUR 1.95;</p> <p>3.5. the objectives of the redemption of shares:</p> <p>3.5.1. to ensure the possibility for the shareholders to sell the shares in order to increase, maintain and / or stabilize the liquidity of the Company shares;</p> <p>3.5.2. to increase, maintain and / or stabilize the market price of the Company shares;</p> <p>3.5.3. to be able to designate own shares for the motivation of the Company employees aiming to their contribution to the better performance of the Company and to sell them to the Company employees, other than employees who are members of the Company Supervisory Board or Board, or employees who are shareholders of the Company;</p> <p>3.5.4. to be able to use its own shares in potential exchanges in connection with the acquisition or sale of shares in other companies by the Company;</p> <p>3.5.5. in order to hold a reserve of own shares which could be used, if necessary, for the purposes specified in clauses 3.5.1. - 3.5.4. (one or more of them) by resolution of the Board of the Company.</p> <p>3.6. to set a minimum sale price of own shares – not less than the average redemption price of own shares;</p> <p>3.7. to determine that the Company shares may be assigned to the Company shareholders or employees of the Company, except for employees who are members of the Company Supervisory Board or Board, or employees who are shareholders of the Company, or assigned through the exchange of shares by purchasing shares in other companies by the Company;</p> <p>3.8. subject to the conditions set out in this resolution and the provisions of the Law on Companies of the Republic of Lithuania, to commit the Board of the Company to organize the redemption of own shares for the purposes set out in this resolution (one or more of them), to determine the detailed procedure for the redemption of own shares, execution time, number, price of shares to be redeemed, as well as to determine the detailed procedure for the sale (assignment) of own shares, execution</p>

		time, the number of shares to be assigned for the purposes set out in this resolution (one or more of them) and to perform all and any actions related to the redemption and assignation of own shares.
6.	Regarding the approval of the remuneration policy of the CEO, the members of the Board and the Supervisory Board of AB Žemaitijos Pienas.	To approve the remuneration policy of the CEO, the members of the Board and the Supervisory Board of AB Žemaitijos Pienas (attached).