

## **PST Group AB**

### **ARTICLES OF ASSOCIATION**

**Panevezys, the ..... of ..... two thousand and twenty five**

#### **Section I. General Provisions**

- 1.1. PST Group AB (hereinafter referred to as ‘the Company’) is a legal entity with commercial, economic, financial, organizational and legal independence, which operates according to the Law on Companies of the Republic of Lithuania (hereinafter referred to as ‘the Law on Companies’), other laws of the Republic of Lithuania, government resolutions and these Articles of Association.
- 1.2. The Company is a legal entity of limited liability. It shall be liable for its obligations only to the extent of its assets. The shareholders shall be liable only for the amount, which they are obliged to pay for their shares.
- 1.3. The name of the Company is PST Group AB.
- 1.4. The financial year of the Company shall be a calendar year.
- 1.5. The address of the registered office of the Company: P. Puzino Str. 1, Panevezys, Republic of Lithuania.
- 1.6. The operation of the Company shall be of indefinite duration.

#### **Section II. Purposes, Economic and Commercial Activities of the Company**

- 2.1. The purpose of the Company shall be to engage in economic and commercial activities for profit.
- 2.2. While engaging in economic and commercial activities, the Company shall invest in other legal entities and carry out holding activities, as well as economic and commercial activities in construction, production, trade, services and other areas.
- 2.3. The Company shall carry out the following economic activities:
  - 2.3.1. Construction of buildings (41);
  - 2.3.2. Development of building projects (41.1);
  - 2.3.3. Construction of residential and non-residential buildings (41.2);
  - 2.3.4. Civil engineering (42);
  - 2.3.5. Construction of roads and railways (42.1);
  - 2.3.6. Construction of roads and motorways (42.11);
  - 2.3.7. Construction of bridges and tunnels (42.13);
  - 2.3.8. Construction of utility projects for fluids (42.21);
  - 2.3.9. Construction of utility projects for electricity and telecommunications (42.22);
  - 2.3.10. Construction of water projects (42.91);
  - 2.3.11. Construction of other civil engineering projects not elsewhere classified (42.99);
  - 2.3.12. Demolition and site preparation (43.1);
  - 2.3.13. Demolition (43.11);
  - 2.3.14. Site preparation (43.12);
  - 2.3.15. Test drilling and boring (43.13);
  - 2.3.16. Electrical installation (43.21);
  - 2.3.17. Plumbing, heat and air conditioning installation (43.22);
  - 2.3.18. Other construction installation (43.29);
  - 2.3.19. Plastering (43.31);

- 2.3.20. Joinery installation (43.32);
- 2.3.21. Floor and wall covering (43.33);
- 2.3.22. Painting and glazing (43.34);
- 2.3.23. Other building completion and finishing (43.39);
- 2.3.24. Roofing activities (43.91);
- 2.3.25. Other specialised construction activities not elsewhere classified (43.99);
- 2.3.26. Support activities for crop production (01.61);
- 2.3.27. Operation of gravel and sand pits; mining of clays and kaolin (08.12);
- 2.3.28. Sawmilling and planing of wood (16.1);
- 2.3.29. Manufacture of veneer sheets and wood-based panels (16.21);
- 2.3.30. Manufacture of assembled parquet floors (16.22);
- 2.3.31. Manufacture of other builders' carpentry and joinery (16.23);
- 2.3.32. Manufacture of wooden containers (16.24);
- 2.3.33. Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials (16.29);
- 2.3.34. Manufacture of concrete products for construction purposes (23.61);
- 2.3.35. Manufacture of plaster products for construction purposes (23.62);
- 2.3.36. Manufacture of ready-mixed concrete (23.63);
- 2.3.37. Manufacture of mortars (23.64);
- 2.3.38. Manufacture of fibre cement (23.65);
- 2.3.39. Manufacture of other articles of concrete, plaster and cement (23.69);
- 2.3.40. Cutting, shaping and finishing of stone (23.7);
- 2.3.41. Cold forming or folding (24.33);
- 2.3.42. Manufacture of structural metal products (25.1);
- 2.3.43. Manufacture of metal structures and parts of structures (25.11);
- 2.3.44. Manufacture of doors and windows of metal (25.12);
- 2.3.45. Forging, pressing, stamping and roll-forming of metal; powder metallurgy (25.5);
- 2.3.46. Treatment and coating of metals; machining (25.6);
- 2.3.47. Treatment and coating of metals (25.61);
- 2.3.48. Machining (25.62);
- 2.3.49. Manufacture of motor vehicles (29.1);
- 2.3.50. Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers (29.2);
- 2.3.51. Manufacture of parts and accessories for motor vehicles (29.3);
- 2.3.52. Manufacture of electrical and electronic equipment for motor vehicles (29.31);
- 2.3.53. Manufacture of other parts and accessories for motor vehicles (29.32);
- 2.3.54. Repair of fabricated metal products, machinery and equipment (33.1);
- 2.3.55. Repair of fabricated metal products (33.11);
- 2.3.56. Repair of machinery (33.12);
- 2.3.57. Repair of electronic and optical equipment (33.13);
- 2.3.58. Repair of electrical equipment (33.14);
- 2.3.59. Repair and maintenance of ships and boats (33.15);
- 2.3.60. Repair and maintenance of other transport equipment (33.17);
- 2.3.61. Repair of other equipment (33.19);
- 2.3.62. Installation of industrial machinery and equipment (33.2);
- 2.3.63. Agents involved in the sale of timber and building materials (46.13);
- 2.3.64. Wholesale of mining, construction and civil engineering machinery (46.63);
- 2.3.65. Wholesale of wood, construction materials and sanitary equipment (46.73);
- 2.3.66. Wholesale of hardware, plumbing and heating equipment and supplies (46.74);
- 2.3.67. Retail sale of hardware, paints and glass in specialised stores (47.52);
- 2.3.68. Freight transport by road (49.41);
- 2.3.69. Cargo handling (52.24);
- 2.3.70. Other transportation support activities (52.29);

- 2.3.71. Buying and selling of own real estate (68.1);
  - 2.3.72. Renting and operating of own or leased real estate (68.2);
  - 2.3.73. Real estate activities on a fee or contract basis (68.3);
  - 2.3.74. Real estate agencies (68.31);
  - 2.3.75. Management of real estate on a fee or contract basis (68.32);
  - 2.3.76. Architectural and engineering activities and related technical consultancy (71.1);
  - 2.3.77. Architectural activities (71.11);
  - 2.3.78. Engineering activities and related technical consultancy (71.12);
  - 2.3.79. Technical testing and analysis (71.2);
  - 2.3.80. Specialized design activities (74.1);
  - 2.3.81. Other professional, scientific and technical activities not elsewhere classified (74.9);
  - 2.3.82. Renting and leasing of construction and civil engineering machinery and equipment (77.32);
  - 2.3.83. General cleaning of buildings (81.21);
  - 2.3.84. Other building and industrial cleaning activities (81.22);
  - 2.3.85. Other business support service activities not elsewhere classified (82.99);
  - 2.3.86. Camping grounds, recreational vehicle parks and trailer parks (55.3).
- 2.4. The Company may engage in any other economic and commercial activities that are not in conflict with the legislation of the Republic of Lithuania.
  - 2.5. The Company may only carry out activities that are subject to licensing according to the laws of the Republic of Lithuania after receiving relevant permits and licenses.

### **Section III. Authorized Capital, Reserves, Shares**

- 3.1. The Company may have equity capital and borrowed capital. The equity capital shall be formed of a share issue price and profit of the Company. The borrowed capital shall be formed by issuing debentures, raising credits and otherwise borrowing funds.
- 3.2. The authorized capital of the Company is 4,741,500 (four million seven hundred forty one thousand five hundred) Euros.
- 3.3. The authorized capital of the Company is divided into 16,350,000 (sixteen million three hundred fifty thousand) ordinary registered shares. The nominal value of each share is 0.29 (twenty nine euro cents) Euro.
- 3.4. The equity capital of the Company may not be less than 1/2 of the authorized capital referred to in the Articles of Association. If the equity capital of the Company fell to less than 1/2 of the authorized capital, within 3 months after the day on which it learned or should have learned about the existing situation, the Board shall be obliged to convene the General Meeting of Shareholders. The decision to reduce the authorized capital of the Company, however the reduced authorized capital may not be lower than the minimal amount of the authorized capital, to transform the Company or to liquidate the Company may be taken in this Meeting. The shareholders may decide to cover the losses by additional contributions.
- 3.5. If the General Meeting of Shareholders failed to take the decision provided for in Clause 3.4., Section III hereinabove to remedy the situation existing in the Company or such situation has not been remedied within 6 months after the day on which the Board learned or should have learned about the existing situation, within 2 months after the date of the General Meeting of Shareholders the Board shall be obliged to apply to court for the reduction of the authorized capital by the amount whereby the equity capital has fallen below the authorized capital.

- 3.6. After the judgement of the court to reduce the authorized capital of the Company becomes effective, the Board of the Company shall make relevant amendments in the Articles of Association of the Company changing the amount of the authorized capital and the number of shares and(or) their nominal value, and cancel shares. First of all, any own shares acquired by the Company shall be cancelled and should this prove insufficient, the nominal values of the remaining shares shall be reduced or (and) a portion of shares shall be cancelled. The number of shares shall be reduced for all the shareholders in proportion to the number of shares in the Company owned by them at the end of the day of registration of the amended Articles of Association at the Register of Legal Entities. The amended Articles of Association signed by the Chair of the Board shall be submitted to the administrator of the Register of Legal Entities within 30 days after coming into effect. If shares are cancelled, the documentary proof of the cancellation thereof shall be submitted to the administrator of the Register of Legal Entities together with the documents prescribed by law.
- 3.7. The authorized capital of the Company may be increased provided the General Meeting of Shareholders decided by at least 2/3 of votes to issue new shares or to increase the nominal value of issued shares or it may be increased using the funds of the Company and making relevant amendments in the Articles of Association.
- 3.8. The authorized capital may be reduced by the decision of the General Meeting Shareholders adopted by at least 2/3 of votes or by the judgement of court in the cases provided for by the Law on Companies.
- 3.9. The authorized capital shall be considered increased or reduced only after the amendments of the Articles of Association are registered at the Register of Legal Entities of the Republic of Lithuania.
- 3.10. The shares of the Company shall be ordinary registered shares. They shall be certificated; the emission of shares shall be registered at the Securities Commission (if required by the legislation) and a joint account shall be opened at the Central Securities Depository of Lithuania.
- 3.11. The shares shall be recorded by entries in the securities accounts that are managed in the name of shareholders by the entities prescribed by the Law of Securities Market.
- 3.12. The entries in the securities accounts shall be the proof of ownership of the certificated shares. Transfer of the certificated shares shall be recorded by a debit entry in the securities account of their transferor, and a credit entry in the account of their transferee. When concluding the transaction on the share transfer, the parties of the transaction have to provide their account managers with a written agreement indicating, *inter alia*, the following:
  - 3.12.1. the name, legal form, code and registered office of the Company the shares whereof are being transferred;
  - 3.12.2. the number of transferred shares according to their classes and their nominal value;
  - 3.12.3. the share issue code assigned by the Central Securities Depository of Lithuania;
  - 3.12.4. the amount of dividend on preference shares, voting and any other rights.
- 3.13. The procedure of payment for shares, the procedure of change in share class shall be according to the Law on Companies.
- 3.14. The Company shall have the following reserves:
  - 3.14.1. The revaluation reserve is the amount of the increase in the value of tangible long-term assets and financial assets resulting after the revaluation of assets. The revaluation reserve shall be reduced when the revalued assets are written off, subject of wear, depreciated or transferred into the ownership of any other persons. The revaluation reserve may not be used to reduce losses. When the financial assets are revalued, the revaluation amount transferred to the revaluation reserve may not be used for the increase of the authorized capital.
  - 3.14.2. The legal reserve shall be formed from the profit available for appropriation. It must be at least equal to 1/10 of the amount of the authorized capital and may only

be used to cover the losses of the Company. The portion of the legal reserve above 1/10 of the authorized capital may be redistributed when the profit of the next financial year is appropriated. In case the legal reserve is below 1/10 of the authorized capital, then deductions to the legal reserve shall obligatory and cannot be less than 1/20 of the net profit until the minimal level of the legal reserve is reached.

- 3.14.3. The reserve for acquisition of own shares. It shall be formed from the profit available for appropriation. The reserve for acquisition of own shares may only be formed after deduction to the legal reserve is made, and it may be used to cover losses of the Company and to increase the authorized capital.
- 3.14.4. Other reserves shall be formed from the profit available for appropriation and used for the implementation of the specific purposes of the Company. Other reserves may only be formed after deduction to the legal reserve is made, and they may be used to cover losses of the Company and increase the authorized capital.
- 3.14.5. Share premium shall be a portion of the equity capital of the Company equal to the difference between the issue price and the nominal value of shares. Share premium may be used to increase the authorized capital and cover the losses of the Company.

#### **Section IV. Rights and Duties of Shareholders**

- 4.1. Shareholders shall have the following property rights:
  - 4.1.1. to receive a part of the Company's profit (dividends);
  - 4.1.2. to receive a part of the Company's assets in liquidation;
  - 4.1.3. to receive shares free of charge when the authorized capital is increased by the funds of the Company;
  - 4.1.4. to have the pre-emption right in acquiring new shares issued by the Company in proportion to the number of owned shares. The General Meeting of Shareholders by 3/4 of votes can take a decision to withdraw the pre-emption right in acquiring new shares issued by the Company. The shareholder shall have the right to transfer the pre-emption right to acquire new shares issued by the Company to any other persons following the procedure established by the Securities Commission;
  - 4.1.5. to lend to the Company in the manner prescribed by law, however when borrowing from its shareholders, the Company shall have no right to pledge its assets to the shareholders.
  - 4.1.6. any other property rights prescribed by law.
- 4.2. Shareholders have the following non-property rights:
  - 4.2.1. to attend the General Meeting of Shareholders with the decisive vote. Every ordinary registered share of 0.29 Euro in value shall give the right to one vote to its owner at the General Meeting of Shareholders;
  - 4.2.2. upon a shareholder's written request, within 7 days from the receipt of such request the Company must offer an opportunity to a shareholder to get familiarized with and (or) present copies of following documents: the Articles of Association of the Company, documents of annual financial statements, reports on Company's activities, conclusions and reports of audit, minutes or any other documents of the General Meetings of Shareholders that are used to record the decisions of the General Meeting of Shareholders, lists of the Board members, any other documents of the Company that should be public according to the laws, and minutes or any other documents of the Board meetings that record the decisions of these bodies of the Company provided that these documents do not contain any commercial (industrial) secret. Shareholders or a group of shareholders holding or owning at least 1/3 of all shares have the right to get familiarized with all documents of the

Company, provided they presented to the Company the written engagement of a certain form not to disclose any commercial (industrial) secret. The information shall be considered a commercial (industrial) secret by the decision of the Board (except in cases when according the laws of the Republic of Lithuania such information is considered to be public). Persons shall be responsible for the disclosure of a commercial (industrial) secret according to the procedure prescribed by laws. If a shareholder requires, the Company's refusal to present documents shall be presented in a written form. Any disputes concerning the right of a shareholder to get information shall be settled in court.

- 4.2.3. to file a claim with the court for reparation of damage resulting from failure to perform or improper performance of one's obligations by the Manager of the Company and the members of the Board prescribed by law and these Articles of Association, and in any other cases prescribed by laws.
- 4.3. Shareholders shall have no other property obligations to the Company except for the obligation to pay up the issue price for all signed shares following the procedure prescribed in the agreement of share subscription.
- 4.4. A shareholder shall be obliged to inform the Board of the Company about any changes in his/her address before the day of the General Meeting of Shareholders.
- 4.5. To realize property and non-property rights, two or more shareholders may enter into a shareholders' agreement.
- 4.6. A shareholder may sell or otherwise transfer his shares to the ownership of any other person only when they are fully paid up. Both parties participating in the transfer of the shares must submit a signed contract to the persons who manage the registration of their shares.

## **Section V. Bodies of the Company**

- 5.1. The Company shall have the following bodies: the General Meeting of Shareholders, the Board, and the Manager of the Company.
- 5.2. The bodies of the Company shall have no right to take any decisions or carry out any action that violates the Articles of Association or are in conflict with the purposes of the Company's activities, obviously exceeds the limits of normal industrial-economic risk, are loss-making or economically profitless.

## **Section VI. General Meeting of Shareholders**

- 6.1. Only the General Meeting of Shareholders shall have the right:
  - 6.1.1. to amend the Articles of Association of the Company, except for the cases provided for by the Law on Companies;
  - 6.1.2. to elect the Board and the audit company;
  - 6.1.3. to remove the members of the Board and the audit company elected by the General Meeting of Shareholders;
  - 6.1.4. to fix the payment terms and conditions, and charges for the services provided by the audit company;
  - 6.1.5. to approve the annual financial statement and the annual report of the Board on the activities of the Company;
  - 6.1.6. to increase or reduce the authorized capital except for the cases provided for by the Law on Companies, to convert shares of one class into shares of another class, to approve the share conversion procedure;
  - 6.1.7. to take a decision to liquidate the Company or to cancel the liquidation of the Company (except for the cases provided for by the Law on Companies), or to take

- a decision on reorganization or division of the Company and to approve the terms of such reorganization or division;
- 6.1.8. to take a decision to transform or restructure the Company;
  - 6.1.9. to approve the valuation of non-pecuniary (property) contributions;
  - 6.1.10. at the request of the Board, to consider issues, related to the activities of the Company, assigned to the Board;
  - 6.1.11. to take a decision to withdraw for all the shareholders the pre-emptive right to acquire the shares or convertible debentures of the specific issue of shares or convertible debentures issued by the Company;
  - 6.1.12. to determine the class, number, nominal value and minimal emission price for the shares issued by the Company;
  - 6.1.13. to take a decision to issue convertible debentures;
  - 6.1.14. to take a decision for the Company to acquire its own shares;
  - 6.1.15. to elect and remove the liquidator of the Company (except for the cases provided for by the Law on Companies);
  - 6.1.16. to take a decision on appropriation of profit (loss);
  - 6.1.17. to take a decision on reserve formation, use, reduction and elimination;
  - 6.1.18. the General Meeting of Shareholders may also decide on any other issues unless these have been assigned under the Law on Companies within the scope of powers of the bodies of the Company and provided by their essence these are not the functions of the management bodies.
- 6.2. The General Meeting of Shareholders shall be organized by the Board. The Annual General Meeting of Shareholders shall be convened by the Board on an annual basis not later than 4 months after the end of the financial year. The right of initiative to convene the General Meeting of Shareholders meeting shall also be vested with the shareholders carrying not less than 1/10 of all votes. If the Board disapproved the initiators to convene the General Meeting of Shareholders, the General Meeting of Shareholders may be convened by shareholders carrying more than 1/2 of all votes or by decision of the Manager of the Company, if the Board of the Company failed to convene the meeting according to the cases and terms provided for by the Law on Companies.
- 6.3. The initiators of the General Meeting of Shareholders shall submit a request to the Board indicating the reasons for convening the meeting, agenda, date and place of the meeting. If the Board fails to resolve items proposed for the agenda in any other manner, the Board must convene the General Meeting of Shareholders within 40 days from the date such request has been received.
- 6.4. The General Meeting of Shareholders may be convened by judgement of the court in cases prescribed by the Law on Companies.
- 6.5. Not later than 21 days before the day of the meeting, organizers of the meeting following the procedure prescribed by the Government shall give a notice in the electronic publication of the administrator of the Register of Legal Entities for publishing notices and inform every shareholder having not less than 1/3 of all votes in writing by a registered mail and/or e-mail about the date, time, place and agenda of the meeting being convened. If a repeat meeting is being convened, the shareholders are to be informed not later than 14 days before it.
- 6.6. The agenda of the General Meeting of Shareholders may be supplemented upon the proposal to include new issues by the Board or shareholders who own shares carrying not less than 1/10 of all votes. The proposal to supplement the agenda may be submitted not later than 14 days before the General Meeting of Shareholders.
- 6.7. The Board and the shareholders carrying not less than 1/20 of all votes at any time before or during the General Meeting of Shareholders may propose new draft decisions on the items included on the agenda of the meeting, additional candidates to the members of the bodies of the Company, auditors or an audit company in writing or by means of electronic communication provided that security of the transmitted information is ensured and these persons can be identified.

- 6.8. The draft agenda of the General Meeting of Shareholders may be supplemented. If the agenda of the meeting referred to in the notice on convening of the meeting has been supplemented, the shareholders shall be notified of such changes in the agenda following the same procedure as applicable to convening of the General Meeting of Shareholders and not later than 10 days before the meeting.
- 6.9. The General Meeting of Shareholders may take decisions and shall be considered valid if attended by shareholders who own shares carrying not less than 1/2 of all votes. A quorum shall be established according to the data of the registration list of shareholders until the announcement of the beginning of the General Meeting of Shareholders and shall remain valid throughout the meeting. If a quorum is not present, the General Meeting of Shareholders shall be considered invalid and a repeat General Meeting of Shareholders must be convened, which shall be authorized to take 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.
- 6.10. The decisions of the General Meeting of Shareholders shall be taken by a majority of votes carried by shares owned by the shareholders attending the meeting, except for the cases, when the decisions to be taken require a qualified majority of votes.
- 6.11. The decisions shall be taken by a qualified majority of votes when such decisions require not less than 2/3 of all votes of attendees:
- to reorganize or divide the Company and approve reorganization or division conditions;
  - to amend the Article of Association of the Company;
  - to take decisions on appropriation of profit (loss);
  - to increase or reduce the authorized capital except for the cases provided for by the Law on Companies;
  - to convert shares from one class to another class and approve the share conversion procedure;
  - to liquidate or reorganize the Company;
  - to form, use, decrease or eliminate the reserves;
  - to determine the class, number, nominal value and minimal issue price of shares;
  - to take a decision to issue convertible debentures.
- 6.12. The decision to withdraw for all shareholders the pre-emption right to acquire the newly issued shares or convertible debentures of the Company of a specific issue of shares or convertible debentures shall require a majority of votes that shall not be less than 3/4 of all votes of attendees.
- 6.13. If a shareholder exercises his/her right to vote in writing, he/she having familiarized himself/herself with the agenda of the General Meeting of Shareholders and the draft decisions, shall fill in and submits to the Company a General Ballot where he/she informs the General Meeting of Shareholders of his/her will 'for' or 'against' separately for every decision. Shareholders who have voted in advance in writing shall be considered to be participating at the General Meeting of Shareholders and the votes thereof shall be included into the quorum of the meeting and voting results.
- 6.14. A shareholder shall have the right to authorize another person to vote for him/her at the General Meeting of Shareholders or perform any other legal actions. The Power of Attorney by such shareholder being a natural person shall have notarial certification and the Power of Attorney being a legal entity or an enterprise shall have a signature of the Manager of Company and the seal.
- 6.15. The Meeting shall have no right to take decisions on any items that are not on the agenda except for the cases when all shareholders owning voting shares participate at the Meeting and none of the shareholders voted in writing.
- 6.16. Only the agenda of the Meeting which failed to take place shall be valid at a repeat meeting.
- 6.17. Not later than within 3 days the minutes of the General Meeting of the Shareholders shall be signed by the Chair, the secretary of the meeting and at least one authorized shareholder. The persons participating at the General Meeting of Shareholders shall have the right to familiarize themselves to the minutes and to submit their comments or opinion in writing on



facts presented in the minutes and drawing up thereof within 3 days from the moment of familiarization but not later than within 10 days from the day of the General Meeting of Shareholders.

- 6.18. The General Meeting of Shareholders shall have no right to assign the Board to take decisions on the issues assigned to the power of the General Meeting of Shareholders.

## **Section VII. Procedure of Election and Powers of the Board**

- 7.1. The Board shall be formed out of 5 (five) members. The members of the Board shall be elected by the General Meeting of Shareholders for a term of 4 (four) years. During the election of the members of the Board each shareholder shall have the number of votes equal to the number of shares owned multiplied by 5 (five). The shareholder shall distribute these votes at his discretion giving them for one or several candidates to the Board, and the candidates who receive the largest number of votes shall be elected to the Board. If the number of candidates having the same number of votes shall be higher than the number of vacancies in the Board, a repeat vote shall be arranged where each shareholder shall be allowed to vote only for a single candidate having the same number of votes.
- 7.2. The Board is a collegial body whose activities shall be directed by the Chair. The Board shall start its activities after the end of the General Meeting of Shareholders that elected it. The Board shall elect the Chair from its members.
- 7.3. Only a natural person may be a member of the Board. Each candidate to the member of the Board shall be obliged to inform the shareholders where and what position he has, how his activities are related to the Company and its subsidiary companies.
- 7.4. The General Meeting of Shareholders may remove the entire Board or any individual members thereof from office before their term of office ends.
- 7.5. The Board shall perform the following supervisory functions:
- 7.5.1. take decisions regarding any transactions with the parties concerned as prescribed in Clause 2, Article 37 of the Law on Companies;
  - 7.5.2. supervise the activities of the Manager of the Company, submit comments and proposals on the activities the Manager of the Company to the General Meeting of Shareholders;
  - 7.5.3. consider suitability of the Manager of the Company for the office if the Company is operating at a loss;
  - 7.5.4. submit proposals to the Manager of the Company to revoke any decisions thereof, which are not in conflict with the laws and other legislation, the Articles of Association of the Company or the decisions of the General Meeting of Shareholders or the Board;
  - 7.5.5. address 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 the Manager of the Company;
  - 7.5.6. consider and approve the operating strategy of the Company, analyse and evaluate the information on implementation of the operating strategy of the Company, submits the information thereof to the General Meeting of Shareholders;
- 7.6. The Board shall consider and approve:
- 7.6.1. the Annual Report of the Company;
  - 7.6.2. the management structure and positions in the Company;
  - 7.6.3. the positions to which employees are hired by competition-based recruitment;
  - 7.6.4. the Articles of Association and statutes of branches and representative offices of the Company;
  - 7.6.5. the operational strategy of the Company, analyze and evaluate information on implementation of operational strategy of the Company;

- 7.6.6. the draft rules for granting shares, which shall be submitted by the Manager of the Company together with any feedback and suggestions thereof.
- 7.7. The Board shall elect and remove from office the Manager of the Company and the internal auditor, fix their salaries and set other terms of the employment contract, approve their job descriptions, provide incentives and impose penalties.
- 7.8. The Board shall take decisions:
  - 7.8.1. for the Company to become a founder or participant of any other legal entities;
  - 7.8.2. to establish branches and representative offices, appointing and removing from office the managers thereof;
  - 7.8.3. on investment, transfer, rent (calculated for each type of transaction individually) of long-term assets the balance value whereof is higher than 1/20 (one-twentieth) of the authorized capital of the Company;
  - 7.8.4. on mortgage and hypothec (total amount of transactions is calculated) of long-term assets the balance value whereof is higher than 1/20 (one-twentieth) of the authorized capital of the Company;
  - 7.8.5. on offering guarantee or surety for the discharge of obligations of other persons the total amount whereof is higher than 1/20 (one-twentieth) of the authorized capital of the Company;
  - 7.8.6. on acquisition of long-term assets for the price higher than 1/20 (one-twentieth) of the authorized capital of the Company;
  - 7.8.7. to provide charity or support;
  - 7.8.8. for the Company to borrow or lend funds, issue bills of exchange, enter into lease agreements;
  - 7.8.9. to sell or otherwise transfer the shares of other legal entities (other securities, share, part, etc.), as well as the legal entities thereof, in which the Company is a participant; to pledge or otherwise limit the rights to the available shares of other legal entities (other securities, share, part, etc.) or any part thereof; to transfer voting rights, conclude shareholder (participant) agreements or otherwise limit the rights granted by shares (share, owned part);
  - 7.8.10. to join associations, concerns;
  - 7.8.11. any other decisions within the competence of the Board in the Law on Companies, these Articles of Association or decisions of the General Meeting of Shareholders.
- 7.9. The Board shall approve the decisions taken by the Manager of the Company:
  - 7.9.1. to participate in joint activities with other legal entities;
  - 7.9.2. to reform, reorganize, restructure, apply to the court for initiation of bankruptcy proceedings, liquidate (cancel liquidation) legal entities in which the Company is a participant, to approve, amend the founding documents of the legal entities in which the Company is a participant, appoint and remove the management bodies thereof from office, withdraw an audit company, distribute profit, take other decisions within the competence of the participants in legal entities in which the Company is a participant;
  - 7.9.3. the Board approves the candidates for the position of deputies, directors proposed by the Manager of the Company and their salaries;
  - 7.9.4. at the request of the Manager of the Company, approves any other decisions taken by the Manager of the Company.
- 7.10. The Board shall analyse and assess:
  - 7.10.1. the information submitted by the Manager of the Company on organization of the activities of the Company;
  - 7.10.2. the information submitted by the Manager of the Company on the financial status of the Company;
  - 7.10.3. the information submitted by the Manager of the Company on the results of economic activities, income and expenditure estimates, the stock-taking and other accounting data of changes in assets;

- 7.10.4. the draft annual financial statements and the draft of profit distribution submitted by the Manager of the Company and, having approved of the drafts thereof, submit thereof to the General Meeting of Shareholders;
- 7.10.5. the draft decision on the allocation of dividends for a period shorter than the financial year and the set of interim financial statements drawn up for the purpose of taking the decision, which shall be submitted to the General Meeting of Shareholders together with the interim report of the Company.
- 7.11. The meetings of the Board shall be called by the Chair of the Board. Each member of the Board has the right to initiate convening of the Board meeting. The Chair of the Board shall be obliged to convene a meeting of the Board if a member of the Board requires it. The meeting of the Board shall be convened according to the procedure established in the rules of procedure of the Board.
- 7.12. The Board may take decisions and the meeting thereof shall be considered to have taken place provided that 2/3 (two thirds) or more members of the Board are participating therein. The members of the Board who have voted in advance shall be considered to have attended the meeting.
- 7.13. During voting, each member shall have one vote. The decision of the Board shall be adopted when more votes are cast 'for' than 'against'. Where equal votes are cast 'for' and 'against', the Chair of the Board shall have the casting vote. A member of the Board shall not be entitled to vote when the meeting of the Board discusses the issues related to his/her material responsibility or personal issues of his work at the Company.
- 7.14. Unless the Manager of the Company is a member of the Board, the Board shall invite him to every meeting of the Board shall give access to the information relating to the issues on the agenda.
- 7.15. The Minutes shall be taken of every meeting of the Board.
- 7.16. The members of the Board shall be obliged to keep the commercial secrets of the Company confidential.
- 7.17. The members of the Board may be paid bonuses for their work on the Board according to the procedure laid down in Article 29 on the Law on Companies.
- 7.18. The members of the Board may be paid the salary not from the profit of the Company for their work on the Board, the amount of such salary for each member of the Board shall be fixed by the General Meeting of Shareholders. The Company shall have the right to conclude contracts with the members of the Board regarding their work on the Board. The Company shall have the right to limit the civil liability of a member of the Board member in the absence of intent or gross negligence on the part of the member of the Board.
- 7.19. Any other issues related to the activities of the Board not provided for in these Articles of Association shall be regulated in the Law on Companies, the rules of procedure of the Board and other legislation.

## **Section VIII. Manager of the Company**

- 8.1. The Manager of the Company, the Managing Director, shall organize and carry out business activities of the Company on the basis of the contract of employment signed therewith.
- 8.2. In his activities the Manager of the Company shall follow the laws of the Republic of Lithuania, other legal acts, the Articles of Association, decisions of the General Meeting of the Shareholders, work regulations for administration, decisions taken by the Board and his job description.
- 8.3. The Board of the Company shall elect and remove from office the Manager of the Company, the Managing Director, fix his salary, approve his job description, provide incentives and impose penalties.
- 8.4. The employment contract with the Manager of the Company shall be signed by the Chair of the Board or any other authorized member of the Board.

- 8.5. The Manager of the Company shall organize daily activities of the Company, hire and dismiss employees, conclude and terminate employment contracts, provide incentives and impose penalties. The Manager of the Company shall represent the interests of the Company as a participant of other legal entities and shall implement the rights and duties of a participant of other legal entity, with the exceptions specified in these Articles of Association.
- 8.6. A person not entitled under the laws of the Republic of Lithuania to occupy such position may not be appointed the Manager of the Company.
- 8.7. The Board of the Company may terminate the contract of employment with the Manager of the Company according to the procedure prescribed by the Labor Code of the Republic of Lithuania and may limit his powers until the termination of the contract. Not later than within five days the Board of the Company is to inform in writing the administrator of the Register of Legal Entities about election or removal of the Manager of the Company and the end of the employment contract with him.
- 8.8. The Manager of the Company shall act on behalf of the Company and shall be entitled to enter into transactions at his own discretion. In the cases laid down in the Articles of Association, the Manager of the Company may enter into the transactions when there is a decision/approval of the Board to enter into these transactions.
- 8.9. The Manager of the Company shall be responsible for:
  - 8.9.1. organisation of activities and implementation of the purposes of the Company;
  - 8.9.2. drawing up of a set of annual financial statements and drafting of an annual report of the Company;
  - 8.9.3. drafting of a decision on the allocation of dividends for a period shorter than the financial year and drawing up of a set of interim financial statements and an interim report, and submitting thereof to the Board;
  - 8.9.4. drafting of the rules for granting the shares of the Company;
  - 8.9.5. conclusion of a contract with an auditor or an audit company where the audit is mandatory under laws or these Articles of Association;
  - 8.9.6. submission of information and documents to the General Meeting of Shareholders and the Board in the cases provided for by the Law on Companies or at the request thereof;
  - 8.9.7. submission of documents and particulars of the Company to the administrator of the Register of Legal Entities;
  - 8.9.8. submission of the documents of the Company to the Bank of Lithuania and the Central Securities Depository of Lithuania;
  - 8.9.9. publication of the information referred to in the Law on Companies in the sources indicated in the Articles of Association;
  - 8.9.10. notifying the shareholders and the Board about the most important events affecting activities of the Company;
  - 8.9.11. submission of information to the shareholders;
  - 8.9.12. performance of other duties laid down in the Law on Companies and other legislation as well as in these Articles of Association and the job description of the Manager of the Company.
- 8.10. The Manager of the Company may enter into the transactions prescribed in Sub-clauses 3, 4, 5 and 6, Clause 4, Article 34 of the Law on Companies and Sub-clause 1, Clause 2, Article 37 of the Law on Companies only when there are decisions/approval of the Board.
- 8.11. The Manager of the Company shall ensure that by the end of the first half of the current financial year, the Company concludes an agreement on the audit of the Annual Financial Statements with the audit company (auditor) chosen by the General Meeting of Shareholders, and shall take any other actions related thereto and/or established in legislation.
- 8.12. When organizing and carrying out the activities of the Company, including the decisions of the bodies, the Manager of the Company shall act an honest and reasonable manner in the

interests of the Company, be loyal to the Company and maintain confidentiality, avoid any situation where any personal interests thereof conflict or may conflict with the interests of the Company. The approval of the Board to the decisions of the Manager of the Company shall not release the Manager of the Company from liability.

### **Section IX. Procedure for Publishing Notifications and Decisions of the Company**

- 13.1. Notices on the General Meeting of Shareholders shall be published following the procedure prescribed by the Government in the electronic publication of the administrator of the Register of Legal Entities for the publishing notices or delivered against acknowledgement of receipt by registered mail and/or sent by e-mail to every shareholder owing not less than 1/3 of all votes not later than 21 days before to the day of the meeting.
- 13.2. Decisions and other resolutions of the General Meeting of Shareholders that shareholders or other interested persons are to be familiarized with shall be sent not later than in 15 days after taking the decision. The person authorized by the Board or the liquidators shall be responsible for the timely dispatch of the decisions and notices. All decisions or notices shall be dispatched by registered mail or are familiarized with personally against signature.
- 13.3. The liquidation of the Company shall be announced in public 3 times with the intervals not shorter than 30 days in the electronic publication of the administrator of the Register of Legal Entities for the publishing notices and shall be notified to all creditors of the Company in writing.

### **Section X. Commercial Secret**

- 10.1. Technical, financial, commercial and any other information after publication of which the losses (direct or indirect) are or might be caused to the Company shall be considered the commercial secret.
- 10.2. The Board of the Company shall determine the list of confidential information and the persons who uses it. Any documents containing such information shall be used with the mark 'Confidential'.
- 10.3. Any confidential information shall be given to the third persons only if they are participating in joint activities.
- 10.4. The person, who has spread any confidential information, may be brought to court following the procedure prescribed by laws and shall be obliged to compensate damages or losses caused to the Company.

### **Section XI. Criteria Used as a Basis for Determining that a Transaction Makes Significant Influence on the Company, its Finances, Assets, Liabilities**

- 11.1. Any transaction of the Company with the parties concerned on regarding asset investment, acquisition, transfer, lease, pledging and mortgage, performance bonds and guarantees shall be deemed significant, making influence on the Company, its finances, assets, liabilities if the amount of a transaction or total amount of such transactions during the financial year exceeds 1/10 of the asset value indicated in the latest balance sheet of the Company.
- 11.2. The mandatory requirements established in Clause 2, Article 37 of the Law on Companies shall be applied to conclusion of such transactions.

### **Section XII. Other Provisions**

- 12.1. Any other issues not regulated by these Articles of Association shall be resolved in accordance with the procedure established by the laws of the Republic of Lithuania. In case

of any inconsistencies between these Articles of Association and mandatory rules of law governing the legal status and/or activities of the companies, the mandatory provisions of the law shall prevail.

- 12.2. The Articles of Association of the Company shall be amended and supplemented subject to the decision of the General Meeting of Shareholders according to the Law on Companies and these Articles of Association.
- 12.3. The adopted amendments to the Articles of Association shall come into effect only after filing thereof at the Register of Legal Entities, save for the exceptions laid down by laws.

Managing Director

Tomas Stukas

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(full name)

(signature)

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