

# **GROUP OF COMPANIES ALITA AB**

## **ARTICLES OF ASSOCIATION**

### **I. GENERAL PROVISIONS**

1. Group of companies ALITA, AB (the “**Company**”) is a company with an economic, financial, organisational and legal independence.
2. The company is a privately owned legal entity of limited liability. The Company is liable for its obligations to the extent of its own assets. The Company is not liable for the obligations of its shareholders and the shareholders are not liable for the obligations of the Company, except for the cases stipulated by law. The shareholders have no other obligations to the Company save the obligation to pay in due course an issue price for all the shares subscribed by them.
3. The Company is operating in accordance with the provisions of laws, other legislative acts of the Republic of Lithuania, and these Articles of Association.
4. The full name of the company is **Group of companies ALITA, AB**.
5. The address of the registered office of the Company is Miškininkų Str. 17, 62200 Alytus, Republic of Lithuania.
6. The Company has its account with a bank registered in the Republic of Lithuania and its seal.
7. The financial year of the Company is a calendar year.
8. The Company is established for an unlimited period.

### **II. GOALS AND OBJECT OF THE COMPANY’S OPERATIONS**

9. The goal of the Company’s operations is rational use of the Company’s assets and other resources, efficient and productive development of its business activities in pursuit of profit.
10. The Company is engaged in the following business activities:
  - production of juice from berries, fruit and vegetables;
  - production of distilled alcoholic beverages;
  - production of ethyl alcohol from fermented products;
  - production of wine;
  - production of cider and other wine from berries and fruit;
  - production of other non-distilled fermented beverages.
11. The Company may engage in any other type of activity not prohibited under laws of the Republic of Lithuania.
12. The Company may engage in licensed or regulated activities only after having obtained respective licences or permits in accordance with the procedure established by laws of the Republic of Lithuania.

### **III. RIGHTS AND OBLIGATIONS OF THE COMPANY**

13. The Company may enjoy and gain any civil rights and assume obligations, save for the exceptions established by laws of the Republic of Lithuania.

### **IV. AUTHORISED CAPITAL**

14. The authorised capital of the Company is LTL 3,126,000 (three million one hundred twenty six thousand litas).

15. The Company's authorised capital is divided into 3,126,000 (three million one hundred twenty six thousand) ordinary registered shares of 1 (one) litas par value each.

#### **V. RIGHTS CONFERRED BY SHARES**

16. The shareholders of the Company have property and non-property rights established under laws and other legislative acts of the Republic of Lithuania.

17. Each fully paid up share confers on its owner one vote at the general meeting of shareholders.

#### **VI. MANAGING BODIES**

18. The managing bodies of the Company are: the general meeting of shareholders, the board and the head of the Company.

#### **VII. GENERAL MEETING OF SHAREHOLDERS**

19. The general meeting of shareholders (the "**Meeting**") is the supreme managing body of the Company. Meetings (as well as extraordinary general meetings) may be attended by all persons who at the end of the record day of the meeting are the shareholders of the Company. The record day of the Meeting is the fifth business day before the date of the Meeting. Members of the board, the head of the Company and the auditor may also attend and speak at the Meetings.

20. The competence of the Meeting is such as established by the Law of the Republic of Lithuania on Companies.

21. For the purpose of resolution on formation of distributable reserves the Meeting shall determine the concrete purposes and procedures of their use and amounts.

#### **VIII. CONVOCATION PROCEDURE**

22. The Meeting convocation procedure is established by the Law of the Republic of Lithuania on Companies.

23. The board of the Company, its head and the persons or institution who decide to convene the Meeting shall deliver to the Company the information and documents needed for drafting a notice about the Meeting. The notice about convocation of the Meeting shall be delivered for publication by the head of the Company in the Republic of Lithuania and in all other Member States of the European Union as well as in the States of the European Economic Area under the procedure established by the Law of the Republic of Lithuania on Securities and published in the daily *Lietuvos rytas* or delivered to each shareholder in person against signature, or sent by registered mail not later than 21 days before the Meeting date. If the Meeting does not take place, then the notice about the adjourned meeting shall be made in a similar way and not later than 14 days before the date of the adjourned meeting. The adjourned meeting shall be convened not earlier than 14 days and not later than 21 days after the date of the failed Meeting. The Meeting may be convened without observing the above-mentioned time limits provided that all the shareholders who have voting rights conferred on them by their shares give their consent confirmed by their signature.

## **IX. PROCEDURE OF VOTING AT THE GENERAL MEETING OF SHAREHOLDERS**

24. The procedure of voting at the Meetings is established by the Law of the Republic of Lithuania on Companies.

25. Shareholders may vote prior to the Meeting in writing. The shareholder who is entitled to vote and is familiar with the agenda and proposed resolutions of the Meeting may in advance and in writing (by filling a general ballot) communicate to the Meeting his will either "for" or "against" each resolution. The shareholders who voted in writing prior to the Meeting shall be considered attending the Meeting and their votes shall be included in the quorum and voting results of the Meeting. General ballots that were filled for the failed Meeting shall be valid for the adjourned meeting. The shareholder who has expressed his will in writing prior to the Meeting shall have no right to vote at the Meeting on the resolution voted by him in advance in writing.

26. The Meeting may adopt resolutions and is deemed to have occurred when it is attended by the shareholders possessing the shares with the attaching more than  $\frac{1}{2}$  of all votes.

27. The resolution of the Meeting is deemed adopted when it receives more votes in favour than against, except for the resolutions specified in items 28 and 29 of these Articles of Association the adoption of which needs a larger majority of votes attaching to the shares of the attending shareholders, and in the cases of electing members of the board in accordance with the provisions hereof.

28. At least a majority of  $\frac{2}{3}$  of votes attaching to the shares of the attending shareholders is needed for adoption of the following resolutions on:

28.1.1. amendment of the Articles of Association of the Company;

28.1.2. establishment of the class, number, par value and the minimum issue price of the shares issued by the Company;

28.1.3. conversion of the Company shares from one class to another and approval of the conversion procedure;

28.1.4. distribution of profit (loss);

28.1.5. formation, use, decrease and liquidation of reserves;

28.1.6. issue of convertible bonds;

28.1.7. increase of the authorised capital;

28.1.8. decrease of the authorised capital save for the exceptions provided for by the Law of the Republic of Lithuania on Companies;

28.1.9. reorganisation and spin-off of the Company and approval of the terms and conditions thereof;

28.1.10. transformation of the Company;

28.1.11. restructuring of the Company;

28.1.12. liquidation and revocation of liquidation of the Company save for the exceptions provided for by the Law of the Republic of Lithuania on Companies.

29. At least a majority of  $\frac{3}{4}$  of votes attaching to the shares of the attending shareholders is needed to adopt a resolution on recalling the pre-emptive right of all the shareholders to acquire the shares or convertible bonds of the Company of a particular issue.

## **X. THE BOARD**

30. The Board is a collegial managing body of the Company.

31. The board consisting of 4 members is elected by the Meeting for a 4-year period. The board elects its chairperson from among its members. The number of tenures of the board member is unlimited.

32. For the purpose of election of board members each shareholder shall have such number of votes as conferred on him by the owned shares multiplied by the number of board members being elected. Such number of votes may be used by the shareholder at his own discretion: to vote either for one or for several nominees. The nominees who receive the largest number of votes shall be elected to the board. When there are more nominees who received an equal number of votes than there are vacancies on the board, a repeated voting shall be arranged in which each shareholder shall vote for only one of the nominees who had received an equal number of votes.

33. The Meeting may recall either the whole board or any of its members before the end of the term of office.

34. A member of the board may resign before the end of his term of office subject to a written notice to the Company delivered not later than 14 calendar days in advance.

35. The competence of the board is established by the Law of the Republic of Lithuania and these Articles of Association.

36. The board shall consider and approve:

36.1. business strategy of the Company;

36.2. annual report of the Company;

36.3. management structure of the Company and job positions in it;

36.4. positions to which persons are employed through competition;

36.5. regulations of the Company's branches and representative offices;

36.6. nominees to be representatives of the Company in its subsidiaries. The head of the Company shall issue concrete authorisations for the approved nominees;

36.7. draft articles of association of the Company's subsidiaries;

36.8. a list of the Company's commercial (production) secrets and confidential information;

37. The board shall determine which information shall constitute the Company's commercial (production) secrets and confidential information. Information, which under the laws of the Republic of Lithuania must be public, may not constitute commercial (production) secrets and confidential information of the Company.

38. The Board shall elect and recall the head of the Company, shall establish his salary and other conditions of his employment contract, approve his office regulations, motivate him and impose punishments.

39. The Board shall also adopt the following decisions on:

39.1. the establishment of the Company's branches and representative offices and termination of their activities and shall approve the nominees to head such branches and representative offices;

39.2. the Company's becoming a founder of or participant in other legal entities;

39.3. acquisition of securities of other companies;

39.4. the investment, transfer or lease of the Company's fixed assets the balance value whereof is higher than 1/20 of the Company's authorised capital (for each separate transaction);

39.5. the pledge or mortgage of the Company's fixed assets the balance value whereof is higher than 1/20 of the Company's authorised capital (for the total sum of transactions);

39.6. issuing sureties or guaranties for other persons' obligations the amount whereof is larger than 1/20 of the authorised capital of the Company;

39.7. acquisition of fixed assets at a price higher than 1/20 of the authorised capital of the Company;

39.8. restructuring of the Company in the cases stipulated by the Law of the Republic of Lithuania on Restructuring of Enterprises.

40. Before adopting a decision on investing funds or any other assets into another legal entity the board shall notify thereabout its creditors to whom the Company has failed to make payments within the established time limits if the total sum of the debt to such creditors is larger than 1/20 of the authorised capital of the Company.

41. The board shall analyse and assess the materials delivered by the head of the Company on:

41.1 the implementation of the Company's business strategies;

41.2 the organisation of the Company's business activities;

41.3 the financial situation of the Company;

41.4. the results of business operations, income and expense estimates, inventories and other accounting information on changes in equity;

41.5. the reorganisation or liquidation of subsidiaries except for the cases stipulated by laws;

41.6. the borrowings.

42. The board shall analyse and assess a set of annual financial statements of the Company and a draft appropriation account and shall deliver such materials together with the annual performance report to the general meeting of shareholders.

43. The board shall also pass the decisions that are attributed to its competence by Meeting resolutions.

44. The board shall work in accordance with its adopted work regulations.

45. The managing bodies of the Company shall work only to the benefit of the Company and its shareholders in compliance with laws and other legislative acts and based on the provisions of the Articles of Association of the Company.

46. In the cases and within the terms established by laws of the Republic of Lithuania claims regarding invalidity of the decisions/resolutions adopted by the managing bodies of the Company may be filed by the shareholders of the Company, its creditors, its head, board members and any other persons stipulated by laws of the Republic of Lithuania.

## XI. HEAD OF THE COMPANY

47. The head of the Company is a one-person managing body of the Company. The competence of the head of the Company is determined by the Law of the Republic of Lithuania and these Articles of Association.

48. The head of the Company, its director general (the "**Head of the Company**"), organises its day-to-day operations, approves the working regulations of the administration, employs and dismissed employees, concludes and terminates employment contracts with them, motivates them and imposes punishments.

49. The Head of the Company represents the Company in its relations with third parties, before courts and in arbitration. The Head of the Company commences his duties from the date specified in his employment contract. Within the framework of his competence the Head of the Company may authorise an employee of the Company or any other person to perform legal actions in court and in any other extrajudicial institutions by issuing a procuration (to be documented as required under legislative acts of the Republic of Lithuania) or a power of attorney.

50. The Head of the Company is acting on behalf of the Company and may enter into transactions at his own discretion. The head of the Company may conclude the transactions specified in item 39 of these Articles of Association when there is a decision of the board to enter into such transactions.

51. The head of the Company may have his deputies.

52. The Head of the Company is elected and dismissed by the board. A competition may be organised to select the Head of the Company. The salary for the Head of the Company shall be considered and approved by the board.

53. The Head of the Company shall keep confidential the commercial (production) secrets and confidential information of the Company which become known to him in the course of his duties.

54. The Head of the Company is liable for performance of his obligations established by the Law on Companies and other legislative acts of the Republic of Lithuania, in the Company's Articles of Association, working regulations of the administration and office regulations of the Head of the Company.

## **XII. NOTIFICATION AND ANNOUNCEMENT PROCEDURE**

55. The procedure of notification and announcement about convocation of the Meeting is established in item 23 of these Articles of Association.

56. The Company shall announce about invalidity of its shares in the daily *Lietuvos rytas*.

57. The decision to decrease the Company's authorised capital shall be notified to every creditor of the Company against signature or by registered mail. The announcement about the decision to decrease the authorised capital of the Company shall be also published in the daily *Lietuvos rytas* or communicated to every shareholder of the Company against signature or by registered mail.

58. The conditions of reorganisation, the decision on transformation and the notice on liquidation of the Company shall be announced in the daily *Lietuvos rytas* and communicated to all the creditors of the Company in writing, or announced in the *Lietuvos rytas* three times at the intervals of at least 30 days in accordance with the terms and conditions provided for in the Law of the Republic of Lithuania on Companies.

59. In any other cases not mentioned herein when certain information must be communicated to the creditors and/or shareholders of the Company, such information shall be published in the daily *Lietuvos rytas* in compliance with the terms and conditions established by the Law of the Republic of Lithuania on Companies. The information may be communicated to each creditor and/or shareholder in person against signature or by registered mail.

## **XIII. DELIVERY OF THE INTERNAL INFORMATION AND OTHER DOCUMENTS OF THE COMPANY TO ITS SHAREHOLDERS**

60. No later than within 7 days upon receipt of a written request of a shareholder the Company shall make available and/or deliver to the shareholder copies of the following documents: Articles of Association of the Company, sets of annual financial statements, annual reports, auditor's opinions and reports, minutes of the Meetings or any other documents formalising the decisions of or responses to the Meetings, lists of shareholders, lists of board members, other documents of the Company which are public under law, as well as minutes of the board meetings or any other documents formalising the decisions of the board, provided such documents do not contain any commercial (production) secrets and confidential information of the Company.

The following information, updated in accordance with the latest data available to the Company, shall be specified in the list of the Company shareholders which the Company delivers to its shareholders: names and surnames of natural persons and names of legal persons, forms of legal persons, the number of registered shares in the Company owned by

each of them and the residing addresses of natural persons or their addresses for communications and registered offices of legal persons.

Information and copies of documents shall be delivered for a charge, LTL 2 per page.

61. The shareholder or a group of shareholders who own or possess more than 1/2 of all shares and who deliver to the Company their written commitment not to disclose the commercial (production) secrets and confidential information, shall have the right of access to all Company documents.

62. Commercial (production) secrets and confidential information is the information (except for the public information defined by laws of the Republic of Lithuania) determined as such by the decision of the board. The shareholder or shareholders' representative shall be liable under law for the disclosure of a commercial secret.

63. Upon the shareholder's request the Company shall document in writing its refusal to deliver the documents. Disputes regarding shareholders' right of access to information shall be referred to court.

64. Not later than 21 days before the Meeting the shareholders shall have access to the Company documents pertaining to the issues on the agenda, including draft decisions, or explanations of the board and the shareholders regarding their proposed item on the agenda when no decisions will be adopted, as well as the request delivered to the board (or the Head of the Company) by the initiators of the Meeting. If requested in writing by a shareholder, the Head of the Company shall no later than within 3 days of receipt of the written request deliver to the shareholder upon his signature or send by registered mail all draft decisions of the Meeting, or explanations of the board and the shareholders regarding their proposed item on the agenda when no decisions are adopted. It shall be indicated in the draft decisions on whose initiative they are delivered. If the initiator of the decision provided his substantiations of the decision, such substantiations shall be attached to the draft decision.

65. The general ballots which are in compliance with the requirements of the Law of the Republic of Lithuania on Companies shall be sent by the Company not later than 10 days before the Meeting by registered mail or delivered in person against signature to the shareholders entitled to vote if the shareholders request so in writing.

66. Not later than within 30 days before the Meeting which has on its agenda an adoption of a resolution on reorganisation of the Company, each shareholder and creditor shall be availed of the opportunity to get familiar in the registered office of the Company in reorganisation with the documents provided for in the Law of the Republic of Lithuania on Companies. On the request of a shareholder or a creditor the Company must deliver copies of said documents. The documents shall be delivered to shareholders free of charge.

#### **XIV. BRANCHES AND REPRESENTATIVE OFFICES**

67. The Company shall have the right to establish its branches and representative offices both in the Republic of Lithuania and in foreign countries. A branch or representative office is not a legal person and uses the name of the Company as a legal person. A branch or a representative office operates based on the Company's Articles of Association or the regulations of the representative office. The assets of the branches are accounted for on the balance sheet of the Company and on their own balance sheets.

68. The Company is liable for the assets of the branches and representative offices to the extent of all its assets.

69. The Board of the Company adopts resolutions on the establishment of the Company's branches and representative offices and termination of their activities, and approves their regulations as well as appoints and dismisses heads of the branches and

representative offices based on the provisions of these Articles of Associations and applicable laws.

#### **XV. AMENDMENT OF THE COMPANY'S CONSTITUTIVE DOCUMENTS**

70. The Company's Articles of Association may be amended by the resolution of the general meeting of shareholders passed by at least 2/3 majority vote of the shareholders present at the Meeting and eligible to vote by their shares, except for the exceptions provided for in the Law of the Republic of Lithuania on Companies. Upon to the resolution of the general meeting of shareholders to amend the Articles of Association of the Company, the whole text of the amended Articles of Association shall be written down and signed by the person authorised by the general meeting of shareholders.

The Articles of Association approved and signed on 3 October 2011 at the general meeting of shareholders.

The person authorised by the general meeting of shareholders:

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*(name, surname, signature)*