

REORGANIZATION CONDITIONS

OF

TEO LT, AB

AND

AB NACIONALINĖ SKAITMENINĖ TELEVIZIJA

INTRODUCTORY PART: LEGAL BASIS FOR THE REORGANIZATION

TEO LT, AB, the company involved in the reorganization, and AB Nacionalinė Skaitmeninė Televizija, the company being reorganized, are being reorganized and the present Reorganization Conditions have been prepared in accordance with the provisions of the Civil Code of The Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other respective legal acts of the Republic of Lithuania.

The Reorganization Conditions (hereinafter – **the Reorganization Conditions**) have been prepared upon receipt of approval from the Extraordinary General Meeting of TEO LT, AB Shareholders held on 15 July 2008 (Annex 1) and approval from the sole shareholder of AB Nacionalinė Skaitmeninė Televizija dated 1 September 2008 (Annex 2).

The Reorganization Conditions have been approved by the decision of October 15, 2008 of the Board of TEO LT, AB and by the decision of October 15, 2008 of the Board of AB Nacionalinė Skaitmeninė Televizija.



Jörgen Latte
Chairman of the Board of TEO LT, AB



Darius Didžgalvis
Chairman of the Board of AB Nacionalinė
skaitmeninė televizija

1. INFORMATION ON THE COMPANY INVOLVED IN THE REORGANIZATION AND THE ONE BEING REORGANIZED

1.1. TEO LT, AB, the company involved in the reorganization:

- Legal entity's name – TEO LT, AB;
- Legal entity's legal form – public limited liability company;
- Legal entity's registered office – Savanorių ave. 28, Vilnius, Republic of Lithuania;
- Legal entity's code – 121215434;
- Register in which data relating to the legal entity is accumulated and kept – the Register of Legal Entities of the Republic of Lithuania, the manager of the Register of Legal Entities – Vilnius Branch Office of the State Enterprise Centre of Registers;
- Value-added tax payer's code – LT212154314;
- Authorized capital – 814 912 760 (eight hundred fourteen million nine hundred twelve thousand seven hundred sixty) litas;
- The amount of paid-up authorised capital – 814 912 760 (eight hundred fourteen million nine hundred twelve thousand seven hundred sixty) litas;
- Financial statements of TEO LT, AB as of 30 September 2008 are attached to the present Reorganization Conditions as Annex 3.

1.2. AB Nacionalinė Skaitmeninė Televizija, the company being reorganized:

- Legal entity's name – AB Nacionalinė Skaitmeninė Televizija;
- Legal entity's legal form – public limited liability company;
- Legal entity's registered office – Savanorių ave. 125, Kaunas, Republic of Lithuania;
- Legal entity's code – 301110538;
- Register in which data relating to the legal entity is accumulated and kept – the Register of Legal Entities of the Republic of Lithuania, the manager of the Register of Legal Entities – Kaunas Branch Office of the State Enterprise Centre of Registers;
- Value-added tax payer's code – LT100003452018;
- Authorized capital – 380 300 (three hundred eighty thousand three hundred) litas;
- The amount of paid-up authorised capital – 380 300 (three hundred eighty thousand three hundred) litas;
- Financial statements of AB Nacionalinė Skaitmeninė Televizija as of 30 September 2008 are attached to the present Reorganization Conditions as Annex 4.

1.3. No new legal entity will be formed after the reorganization.

2. THE MODE OF REORGANISATION / THE COMPANY THAT IS WOUND UP AFTER THE REORGANIZATION AND THE COMPANY CONTINUING AFTER THE REORGANIZATION

- 2.1. On the basis of the present Reorganization Conditions, TEO LT, AB and AB Nacionalinė Skaitmeninė Televizija shall be reorganized in accordance with Part 3 of Article 2.97 of the Civil Code of the Republic of Lithuania by way of merger by acquisition, by merging by acquisition AB Nacionalinė Skaitmeninė Televizija that, after the reorganization, will cease its activities as a legal entity, into TEO LT, AB, that will continue its activities after the reorganization.
- 2.2. Considering that AB Nacionalinė Skaitmeninė Televizija, the company that is being reorganized, is merged by acquisition into TEO LT, AB, the company that is the sole shareholder of AB Nacionalinė Skaitmeninė Televizija, the simplified reorganization procedure, provided for in Article 2.103 of the Civil Code of the Republic of Lithuania and in paragraph 1 of Article 70 of the Law on Companies of the Republic of Lithuania, shall be applied to the reorganization of TEO LT, AB and AB Nacionalinė Skaitmeninė Televizija.

3. AUTHORIZED CAPITAL OF TEO LT, AB AFTER THE REORGANIZATION

- 3.1. In accordance with Article 67 of the Law on Companies of the Republic of Lithuania, the authorised capital of TEO LT, AB will not be increased in the course of the reorganization process, because TEO LT, AB owns 3 803 (three thousand eight hundred and three) ordinary registered shares of AB

Nacionalinė Skaitmeninė Televizija that constitute 100% of all shares in AB Nacionalinė Skaitmeninė Televizija.

- 3.2. The amount of the authorised capital of TEO LT, AB continuing after the reorganization shall be equal to 814 912 760 (eight hundred fourteen million nine hundred twelve thousand seven hundred sixty) litas and shall be divided into 814 912 760 (eight hundred fourteen million nine hundred twelve thousand seven hundred sixty) ordinary registered shares of 1 (one) litas nominal value each.

4. THE PROCEDURE AND TERMS OF TAKING OVER THE ASSETS, RIGHTS AND OBLIGATIONS OF AB NACIONALINĖ SKAITMENINĖ TELEVIZIJA THAT IS BEING REORGANIZED

- 4.1. During the reorganization process, TEO LT, AB continuing after the reorganization shall take over all the assets, rights and obligations of AB Nacionalinė Skaitmeninė Televizija, with the exception of those rights and obligations of AB Nacionalinė Skaitmeninė Televizija, the transfer of which to another person is prohibited under the mandatory legal norms when, through the reorganization process, AB Nacionalinė Skaitmeninė Televizija is merged by acquisition to another legal entity and AB Nacionalinė Skaitmeninė Televizija is wound up.
- 4.2. TEO LT, AB continuing after the reorganization shall take over the assets, rights and obligations of AB Nacionalinė Skaitmeninė Televizija in accordance with the procedure and terms provided for in the present Reorganization Conditions under the deed of transfer-acceptance (hereinafter – **the Deed of Transfer-Acceptance**). The Deed of Transfer-Acceptance shall be signed on the day of the registration in the Register of Legal Entities of the new version of the By-laws of TEO LT, AB. On behalf of TEO LT, AB, the Deed of Transfer-Acceptance shall be signed by the General Manager or the person authorized by him. On behalf of AB Nacionalinė Skaitmeninė Televizija, the Deed of Transfer-Acceptance shall be signed by the General Manager of AB Nacionalinė Skaitmeninė Televizija or the person authorized by him.
- 4.3. The assets, rights and obligations of AB Nacionalinė Skaitmeninė Televizija transferred to TEO LT, AB from the moment of signing the Deed of Transfer-Acceptance shall, as from the signing of the Deed of Transfer-Acceptance, be deemed to be the assets, rights and obligations of TEO LT, AB.
- 4.4. The assets, rights and obligations of AB Nacionalinė Skaitmeninė Televizija shall be transferred on the basis of the balance sheet as of 30 September 2008, by taking into consideration the changes resulting from the business activities of AB Nacionalinė Skaitmeninė Televizija until the day of the transfer.
- 4.5. The right to manage, use and dispose of the funds available in the bank accounts of AB Nacionalinė Skaitmeninė Televizija as well as the bank accounts of AB Nacionalinė Skaitmeninė Televizija shall be transferred to TEO LT, AB continuing after the reorganization, or these accounts shall be closed and the funds in them shall be transferred to the bank accounts of TEO LT, AB.
- 4.6. The transactions, entered into till the moment of signing the Deed of Transfer-Acceptance by AB Nacionalinė Skaitmeninė Televizija, the company being wound up after the reorganization, shall, as from the moment of signing the Deed of Transfer-Acceptance, be deemed to be the transactions entered into by TEO LT, AB continuing after the reorganization and shall be included into the accounting of TEO LT, AB.

5. RIGHTS GRANTED TO SHAREHOLDERS IN TEO LT, AB THAT WILL CONTINUE AFTER THE REORGANIZATION

Upon the merger by acquisition of AB Nacionalinė Skaitmeninė Televizija into TEO LT, AB, the shareholders of AB Nacionalinė Skaitmeninė Televizija shall be granted the property and non-property rights of shareholders, as established by the Law on Companies of the Republic of Lithuania, other legal acts of the Republic of Lithuania and the By-laws of TEO LT, AB continuing after the reorganization, that are granted by the ordinary registered shares of TEO LT, AB. TEO LT, AB has not issued shares of other classes, debentures or other securities.

6. RIGHTS GRANTED TO THE MEMBERS OF THE COMPANIES' MANAGEMENT BODIES DURING THE REORGANIZATION PROCESS. EXPIRATION OF THE POWERS OF THE MEMBERS OF THE MANAGEMENT BODIES OF AB NACIONALINĖ SKAITMENINĖ TELEVIZIJA

- 6.1. During the reorganization process, the management bodies of TEO LT, AB and AB Nacionalinė Skaitmeninė Televizija shall have all the rights provided by law, concluded agreements and the By-laws of the companies referred to herein. No additional rights shall be granted to the above-mentioned entities.
- 6.2. The management bodies of TEO LT, AB and AB Nacionalinė Skaitmeninė Televizija shall:
- 6.2.1. manage and control the process of reorganization of the respective company;
 - 6.2.2. adopt other decisions and perform other actions provided for in the Reorganization Conditions, decisions of the shareholders of the respective company and in laws.
- 6.3. The Board and the General Manager of AB Nacionalinė Skaitmeninė Televizija shall lose their powers after the removal of AB Nacionalinė Skaitmeninė Televizija from the Register of Legal Entities in accordance with the procedure prescribed by law.
- 6.4. All expenses, related to the removal of AB Nacionalinė Skaitmeninė Televizija from the Register of Legal Entities, shall, in accordance with the procedure prescribed by law, be covered by TEO LT, AB continuing after the reorganization.

7. OTHER PROVISIONS

- 7.1. According to Article 62 of the Law on Companies of the Republic of Lithuania, decisions on the reorganisation of TEO LT, AB and AB Nacionalinė Skaitmeninė Televizija shall be adopted by and the Reorganization Conditions shall be approved by the General Meeting of Shareholders of TEO LT, AB and by the General Meeting of Shareholders of AB Nacionalinė Skaitmeninė Televizija.
- 7.2. These Reorganization Conditions shall be submitted to the Register of Legal Entities. Notice of the preparation of these Reorganization Conditions shall be published in the daily Lietuvos Rytas and creditors will be notified thereof in writing.

Annexes to the Reorganization Conditions:

1. Decision of TEO LT, AB shareholders regarding approval of preparation of the reorganisation conditions;
2. Decision of the sole shareholder of AB Nacionalinė Skaitmeninė Televizija regarding approval of preparation of the reorganisation conditions;
3. Financial statements of TEO LT, AB as of 30 September 2008;
4. Financial statements of AB Nacionalinė Skaitmeninė Televizija as of 30 September 2008.