

*Office translation from Lithuanian into English*

**ARTICLES OF ASSOCIATION  
of Public Limited Liability Company “Limarko Shipping Company”**

**ARTICLE 1. GENERAL PART**

1. Public Limited Liability Company “Limarko Shipping Company” (AB “Limarko laivininkystės kompanija”) (former name – AB “Klaipėdos transporto laivynas”), hereinafter referred to as the “Company”, is an enterprise, whose authorized capital is divided into shares. The Company is the successor of all the rights and duties of State Enterprise of Klaipėda Transport Fleet (enterprise registration No. VĮ 91-65, company code 4034664) as well as the successor of all the assets, rights and duties of Private Limited Liability Company “Limarko” Shipping Company. The Company continues its activities after reorganization by joining Private Limited Liability Company “Limarko” Shipping Company to the Company and after the termination of the activity of Private Limited Liability Company “Limarko Shipping Company” as a legal person.

2. The name of the Company is Public Limited Liability Company “Limarko Shipping Company”.

3. The Company is a private legal person of limited civil liability.

4. The Company shall act pursuant to the laws and other legal acts of the Republic of Lithuania, the Company’s Articles of Association and the Company’s internal documents.

5. The Company’s financial year shall be a calendar year.

**ARTICLE 2. ECONOMIC ACTIVITY**

1. The Company’s main economic activities are as follows:

- Sea and coastal freight water transport (50.20);
- Renting and lease of water transport equipment (77.34);
- Other service activities incidental to transportation (52.29);
- Warehousing and storage (52.10);
- Cargo handling (52.24);
- Service activities incidental to water transportation (52.22);
- Freight transport by road (49.41);
- Repair and maintenance of ships and boats (33.15);
- Other human resources provision (78.30);
- Other professional, scientific and technical activities, nowhere else classified (74.90);
- Wholesale of other food, including fish, crustaceans and molluscs (46.38);
- Non-specialized wholesale of food, beverages and tobacco (46.39);
- Wholesale of fruit, berries and vegetables (46.31);
- Activities of agents engaged in the sale of a variety of goods (46.19);
- Retail sale of fish, crustaceans and molluscs in specialised stores (47.23);
- Retail sale of fruit, berries and vegetables in specialised stores (47.21);

- Retail sale in non-specialized stores with food, beverages and tobacco predominating (47.11).
- 2. The Company may engage in any other activities consistent with the laws of the Republic of Lithuania. The Company may engage in licensed activities or activities performed in the established order only provided that it has obtained required permits.
- 3. The objective of the Company's activities shall be to meet private interests and to receive economic benefit from the activities of the Company by the most effective, productive and profitable performance of its activities specified in Article 2 of the Company's present Articles of Association.
- 4. The Company's period of operation shall be unlimited.

### **ARTICLE 3. AUTHORIZED CAPITAL OF THE COMPANY**

The Company's authorized capital is equal to 3 700 000 (three million seven hundred thousand) Lit. The authorized capital is divided into 3 700 000 (three million seven hundred thousand) ordinary registered shares with the nominal value of each being 1 (one) Lit.

### **ARTICLE 4. SHARES. RIGHTS GRANTED BY THE SHARES**

- 1. All the shares of the Company are non-material ordinary registered shares. Non-material shares shall be recorded by entries in the securities accounts managed by the entities as prescribed in the Law on Markets in Financial Instruments.
- 2. The holder of a non-material ordinary registered share of the Company shall be a person in whose name a securities account is opened and the shares belonging to that person by the right of ownership are recorded therein.
- 3. Accounting of securities of the Company shall be conducted and extracts about the Company's securities recorded in the accounts shall be issued to the holders in the order established by the laws and in accordance with the requirements raised to the securities accounts' managers.
- 4. Each ordinary registered share grants to a Shareholder 1 (one) vote at the General Shareholders' Meeting.
- 5. The Shareholders shall have the following property rights:
  - 1) to receive a portion of the Company's profit (dividend);
  - 2) to receive a portion of the funds of the Company when the Company's authorized capital is reduced in order to pay out a certain amount of the funds of the Company to the Shareholders;
  - 3) to receive a portion of the assets of the Company under liquidation;
  - 4) to receive shares free of charge provided that the authorized capital is increased from the funds of the Company, excluding exceptions stipulated by the Law on Companies;
  - 5) to acquire shares or convertible bonds issued by the Company by the right of pre-emption, except when the General Shareholders' Meeting decides to recall the above right for all the Shareholders;

- 6) to devise and bequeath all or a part of the shares to one or more persons;
- 7) to transfer all or a part of the shares to the ownership of other persons;
- 8) to lend money to the Company;
- 9) other property rights established by the laws and the present Articles of Association.

6. The Shareholders shall have the following non-property rights:

- 1) to attend General Shareholders' Meetings;
- 2) to receive information about the Company's economic activities;
- 3) to make an appeal in a court against the resolutions or actions of the General Shareholders' Meeting, the Board and the Head of the Company. One or some Shareholders shall be entitled to demand, without a separate power of attorney, for the indemnification of the damage caused to the Shareholders;
- 4) to conclude an agreement with an audit firm for inspection of the Company's activities and documents;
- 5) other non-property rights established by the laws and the present Articles of Association.

7. The Shareholders shall also have any other rights provided for by the Law on Companies and other legal acts.

8. The Shareholders' rights or exercise thereof may be limited only in the cases stipulated in the Law on Companies and other legal acts.

## **ARTICLE 5. BODIES OF THE COMPANY**

1. The bodies of the Company are the General Shareholders' Meeting, the Board, and the Head of the Company. The Board and the Head of the Company are the Company's management bodies.

2. The Company's management bodies must act only for the benefit of the Company and its Shareholders. The Company's management bodies shall not be entitled to pass decisions or to perform other actions violating the Company's Articles of Association or contradicting the objectives of the Company set up in the Articles of Association or that are evidently loss-making (purchase of goods, services or work at higher prices or sale thereof at lower prices as compared with the market prices, the wasting of the Company's assets) or which obviously are not beneficial economically.

## **ARTICLE 6. THE GENERAL MEETING**

1. The General Meeting is the supreme body of the Company.

2. The right to participate and vote at the General Shareholders' Meeting or a repeated General Shareholders' Meeting belongs to persons who at the end of the record date (reporting date) of the General Shareholders' Meeting were the Shareholders of the Company personally, excluding exceptions established by the laws, or persons authorized by Shareholders, or persons with whom an agreement on the transfer of the voting right was concluded. The record date of the meeting of a public limited liability company shall be established in accordance with the Law on Companies. Every General Shareholders' Meeting shall elect the chairperson and the secretary of the meeting, excluding the case when less than 3 (three) Shareholders attend the meeting. In the said case each Shareholder attending the General Shareholders'

Meeting shall sign the shareholder registration list and the minutes of the General Shareholders' Meeting.

3. The Law on Companies shall establish the competence of the General Shareholders' Meeting.

4. The Law on Companies and other legal acts shall establish the procedure for convening the General Shareholders' Meeting and a repeated General Shareholders' Meeting, the terms thereof as well as the procedure for the drawing up and execution of the agenda.

5. The notice of convocation of the General Shareholders' Meeting must contain information as required by the Law on Companies and other legal acts.

6. The General Shareholders' Meeting may adopt decisions and shall be deemed as having taken place provided that the Shareholders, owning the shares qualifying them for more than ½ of all the votes, attend the meeting. The repeated General Shareholders' Meeting may adopt decisions only on the items of the agenda of the General Shareholders' Meeting that has failed to take place, with no requirement of a quorum being applied to it.

7. The Shareholders (their proxies) attending the General Shareholders' Meeting shall be registered by signing in the shareholder registration list specifying the number of the votes held by each Shareholder and the Shareholders who have already voted by a general voting-paper. This registration list shall be signed by the chairperson and the secretary of the meeting, excluding the case when less than 3 (three) Shareholders attend the meeting. In the said case the shareholder registration list and the minutes of the General Shareholders' Meeting shall be signed by each Shareholder attending the General Shareholders' Meeting.

8. The Shareholder of the Company qualified for the vote and having familiarized himself with the agenda and the draft resolutions may notify the General Shareholders' Meeting in advance in writing (by completing a general voting-paper) of his will to vote "in favour of" or "against" in respect of each resolution separately. The advance voting by voting-papers shall be included into the quorum and voting results of the meeting. General voting-papers of meetings that have not taken place shall be valid at repeated meetings. The Shareholder shall not be entitled to vote at the same General Shareholders' Meeting on the decision upon which he expressed his will in writing in advance.

9. The submission as well as the content of the general voting-papers shall be subject to the requirements stipulated in the Law on Companies.

10. A resolution of the General Shareholders' Meeting shall be deemed as having been adopted if more votes of the Shareholders are received in favour of it than against it, excluding the following cases:

- 1) election of the Board in accordance with the rules defined in the Law on Companies;
- 2) adoption of resolutions on the items specified in paragraph 1 of Article 28 of the Law on Companies, for adoption of which the 2/3 majority of attending votes is required;
- 3) adoption of the resolution specified in paragraph 2 of Article 28 of the Law on Companies, for adoption of which the 3/4 majority of attending votes is required;

- 4) when the adoption of a resolution requires approval from the holders of a respective type and class of shares.

## **ARTICLE 7. THE BOARD**

1. The Board is a collegial management body, the work of which shall be arranged by its chairperson. The Board shall comprise 5 (five) members elected for the period of four years in the order established by the Law on Companies.

2. The Board shall:

- 1) solve the main production-, organizational-, financial- and economic matters of the Company;
- 2) analyze and approve the strategy for production-, technical- and other economic activities, the usage of Company's financial resources, management and organization of production; shall approve the Company's business plan, its budget and modifications thereof;
- 3) analyze and evaluate the Company's draft set of annual financial statements as well as profit (loss) distribution project and serve the same together with the Company's annual report to the General Shareholders' Meeting;
- 4) analyze and evaluate the material provided by the Head of the Company on the implementation of the Company's operating strategy, organization of activities, the financial state of the Company;
- 5) consider and approve the Company's annual report;
- 6) approve the organizational and management structure of the enterprise, job positions of the employees in the Company;
- 7) approve the positions to which employees are taken on by using the procedure of competition;
- 8) approve the remuneration of the Head of the Company;
- 9) elect and recall the Head of the Company, consider and approve the positions to which the employees are taken on by using the procedure of competition;
- 10) approve the occupational regulations for the Head of the Company, the regulations for the divisions of the Company, the rules of procedure for the administration;
- 11) dispose of the assets of the Company within the limits defined in the Articles of Association and respective laws;
- 12) convene and organize General Shareholders' Meetings in accordance with the procedure specified in the Articles of Association and the Law on Companies; draw up their agenda;
- 13) execute other functions provided for in the Law on Companies, other legal acts of the Republic of Lithuania and solve other matters related to the activities of the Company, excluding those that under the Articles of Association or the Law on Companies must be settled by the General Shareholders' Meeting or the Head of the Company.

3. The Board shall adopt:

- 1) resolutions for the Company to be an incorporator or a participant of any other legal entities;
- 2) resolutions on the incorporation of affiliates and representative offices of the Company;

- 3) resolutions on the investment, transfer or lease of the long-term assets with the balance value exceeding 1/20 of the Company's authorized capital (calculated for every type of a transaction separately);
  - 4) resolutions on the pledge and mortgage of the long-term assets with the balance value exceeding 1/20 of the Company's authorized capital (the total amount of transactions is calculated);
  - 5) resolutions on standing surety for or guaranteeing the performance of other persons' obligations, the amount of which exceeds 1/20 of the Company's authorized capital;
  - 6) resolutions on the procurement of long-term assets for the price exceeding 1/20 of the Company's authorized capital;
  - 7) a resolution on the restructuring of the Company in the cases specified in the Law on Restructuring of Enterprises.
4. The Board shall adopt resolutions in accordance with the procedure established by the Law on Companies.
  5. The procedure for the work of the Board shall be determined by the rules of procedure of the Board adopted by it.

#### **ARTICLE 8. HEAD OF THE COMPANY**

1. Economic activities of the Company shall be organized and performed by the Head of the Company – the Executive Director, who shall be elected and recalled by the Board in accordance with the procedure established by the Law on Companies.
2. The Head of the Company shall arrange his activities in accordance with the laws, the present Articles of Association, resolutions of the General Shareholders' Meeting and the rules of procedure of the administration.
3. The competence and functions of the Head of the Company are prescribed in the Law on Companies, other legal acts of the Republic of Lithuania and the present Articles of Association.

#### **ARTICLE 9. PROCEDURE FOR ANNOUNCEMENT OF COMPANY'S NOTICES**

1. The Company's notices of convocation of General Shareholders' Meetings shall be published in accordance with the procedure established by the Law on Securities.
2. Regulated information as prescribed in the Law on Securities, which must be disclosed by the Company, shall be announced in accordance with the procedure established by the Law on Securities and other legal acts.
3. Information and notices other than those specified in paragraphs 1 and 2 of Article 9 of the present Articles of Association, which must be announced by the Company publicly, shall be announced in the electronic publication published by the registrar of the Register of Legal Persons for announcement of public notices, or delivered by registered mail or by hand with a signed receipt to each Shareholder or to any other person who must be notified. Until the electronic publication published by the registrar of the Register of Legal Persons starts

operating, as well as when notices cannot be announced in this electronic publication due to technical obstacles, notices shall be published in the daily newspaper "Lietuvos rytas" or delivered by registered mail or by hand with a signed receipt to each Shareholder or any other person who must be notified. The Company's notices shall be published and/or dispatched in compliance with the terms prescribed by the laws of the Republic of Lithuania and other legal acts.

4. The Head of the Company shall be responsible for the timely dispatch and announcement of notices.

#### **ARTICLE 10. PROCEDURE FOR SUBMISSION OF COMPANY'S DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS**

1. The Company must provide to its Shareholders the documents and any other information as requested by them in writing, which they are entitled to receive pursuant to the provisions of the Law on Companies.

2. The documents and information specified in paragraph 1 of this article shall be provided to the Shareholders for familiarization and copying at the domicile of the Company or any other place established by the Board, where such documents and information are kept, on any working day and at working hours of the Company as requested by a Shareholder.

3. The documents and information specified in paragraph 1 of this article shall be provided to the Company's Shareholders free of charge in cases and under the terms specified in the Law on Companies, except when the documents and information requested by the Shareholder are sent by mail. In the said case, the Shareholder shall pay for the expenses related to the delivery of the documents by mail.

#### **ARTICLE 11. AFFILIATES AND REPRESENTATIVE OFFICES OF THE COMPANY**

1. Affiliates and representative offices of the Company shall be established upon the resolution of the Board. The number of the Company's affiliates and representative offices shall be unlimited.

2. Having adopted the decision to establish an affiliate or a representative office of the Company, the Board of the Company shall approve the regulations of such affiliate or representative office and shall appoint the management body.

3. The business activity of an affiliate or a representative office shall cease in the following cases:

- 1) upon expiry of the term of operation specified in the regulations of the affiliate or the representative office;
- 2) upon adoption of the resolution by the Company to terminate the business activity of the affiliate or the representative office;
- 3) upon liquidation of the Company.

4. Having adopted the resolution to terminate the business activity of the affiliate or the representative office, the Board shall appoint a person in charge of accomplishing the business-activity termination procedure.

**ARTICLE 12. ALTERATION OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The Company's Articles of Association may be amended by the resolution of the General Shareholders' Meeting adopted by at least the 2/3 majority vote of the attending Shareholders in the order established by the Law on Companies.

Vytautas Lygnugaris

Acting pursuant to the powers vested by the resolution of the General Shareholders' Meeting of Public Limited Liability Company "Limarko Shipping Company" dated 30 April 2014.