

**TERMS OF REORGANIZATION**

**OF**

**PUBLIC JOINT-STOCK COMPANY INVLT TECHNOLOGY AND**

**PUBLIC JOINT-STOCK COMPANY BAIP GRUPÈ**

Vilnius

December 23, 2014

According to these Terms of Reorganization public joint-stock company INVL Technology which ceases to operate without liquidation process, is merged to public joint-stock company BAIP grupė, which continues its operations under a new name as a public joint-stock company INVL Technology and all the rights and duties of public joint-stock company INVL Technology are transferred to the company that continues to operate after the merger.

These Terms of Reorganization have been drawn up in accordance with provisions of the Civil Code of the Republic of Lithuania, Law on Companies of the Republic of Lithuania and other applicable legal acts of the Republic of Lithuania.

Preparation of the Terms of Reorganization was approved on 5 December 2014 by the decision of shareholders of private limited company BAIP grupė and on 19 December 2014 by the decision of general meeting of the shareholders of public joint-stock company “INVL Technology”.

Terms of Reorganization are prepared by the board of public joint-stock company INVL Technology and public joint-stock company BAIP grupė.

Alvydas Banys, the Chairman of the Board of public joint-stock company INVL Technology, Darius Šulnis, the Director of public joint-stock company INVL Technology and Raimondas Rajeckas, person authorized to keep records of public joint-stock company INVL Technology, also the Chairman of the Board and the Director of public joint-stock company BAIP grupė Kazimieras Tonkūnas and the Director of Finance Ramutė Ribinskienė, hereby confirm, that to the best of their knowledge, information provided in the Terms of Reorganization (including all Annexes) coincides with the data as of 30 September 2014, and there are no missing data, which may have substantial impact on the meaning of such information and assessment of the Company participating in the Reorganization and Company being Reorganized and responsible persons put all their efforts in order to ensure it.

Publication of the Terms of Reorganization does not give ground for presumption that no changes shall occur in the public joint – stock company INVL Technology and public joint-stock company BAIP grupė from the moment of publication and that information provided in this document shows significant information in every aspect at any moment of validity of this document.

Investment decisions should be made based on the investors’ knowledge, valuation of situation of the public joint - stock company INVL Technology and public joint-stock company BAIP grupė also documents and information related to the Terms of Reorganization. The Terms of Reorganization (including Annexes) should not be treated as business, investment or legal recommendation. Every investor should contact its consultant for the legal, business or tax advice.

Chairman of the Board of  
public joint - stock company INVL Technology  
Alvydas Banys

Chairman of the Board of public joint -  
stock company BAIP grupė  
Kazimieras Tonkūnas

Director Darius Šulnis  
Person authorized to keep records  
Raimondas Rajeckas

Director Kazimieras Tonkūnas  
Director of Finance  
Ramutė Ribinskienė

## 1. DEFINITIONS

In these Terms of Reorganization all capitalized terms will have the meaning indicated below:

### **Day of Exchange of Shares**

means the day on which (i) the amended Articles of Association of the public joint - stock company BAIP grupė stating change of the name of the public joint - stock company BAIP grupė and increased authorized capital is registered in the Register of Legal Entities and (ii) the public joint - stock company INV L Technology is deregistered from the Register of Legal Entities. Except if otherwise is provided by legal acts, the moment of registration of amended Articles of Association of the public joint - stock company BAIP grupė and deregistration of the public joint - stock company INV L Technology will be deemed concurrent, i.e. both indicated events shall be deemed as occurred at the same moment if they take place (i) on the same day – at the end of such day, (ii) on different days - at the end of the day of the latest event took place. Any reference to the Day of Exchange of Shares will mean the reference to end of the Day of Exchange of Shares, except otherwise is provided in the Terms of Reorganization or other related documents.

### **Reorganization**

means the process during which (i) public joint - stock company INV L Technology which ceases to operate without liquidation is merged to public joint-stock company BAIP grupė which continues to operate under a new name of public joint - stock company INV L Technology, (ii) all rights and duties of public joint-stock company INV L Technology (including the name INV L Technology) are transferred to the company that continues to operate, (iii) shareholders of public joint company INV L Technology in exchange of the ordinary registered shares held in public joint-stock company INV L Technology, receive ordinary registered shares of public joint – stock company BAIP grupė, which continues to operate under the name of public joint company INV L Technology, free of charge, (iv) the authorized capital of the public joint – stock company BAIP grupė is increased accordingly.

### **Terms of Reorganization**

means these Terms of Reorganization of the public joint – stock company INV L Technology and public joint-stock company BAIP grupė drawn up 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 related legal acts.

**Day of preparation of the Terms of Reorganization**

23 December 2014

**Completion of the Reorganization**

means the end of the day on which the last of the following events will take place: (i) the amended Articles of Association of the public joint – stock company BAIP grupė with changed name and increased authorized capital is registered in the Register of Legal Entities; (ii) the public joint – stock company INVL Technology is deregistered from the Register of Legal Entities; (iii) shareholders of the public joint - stock company INVL Technology receives ordinary registered shares in public joint-stock company BAIP grupė in exchange of the shares of the Company being Reorganized.

**Company participating in the Reorganization**

means public joint-stock company BAIP grupė, data on which, on the Day of preparation of the Terms of the Reorganization, is stated under the paragraph 4.2.1.

**Meeting of the Company participating in the Reorganization**

means the general meeting of shareholders of the Company participating in the Reorganization that shall make the decision regarding the Reorganization, approve the Terms of Reorganization and approve the amended Articles of Association of the Company participating in the Reorganization that continues to operate after the Reorganization.

**Company being Reorganized**

means public joint-stock company INVL Technology, data on which, on the Day of preparation of the Terms of the Reorganization, is stated under the paragraph 4.3.

**Meeting of the Company being Reorganized**

means the general meeting of shareholders of the Company being Reorganized that shall make the decision regarding the Reorganization, approve the Terms of Reorganization and approve the amended Articles of Association of the Company participating in the Reorganization that continues to operate after the Reorganization.

**Manager of the Register of Legal Entities**

means Vilnius Branch of the Register of Legal Entities of the State Enterprise Centre of Registers.

In case indicated otherwise, definitions in singular form shall also mean the plural, words importing one gender shall also mean the other, words importing person shall include legal and natural person.

Headings of the articles and definitions of the Terms of Reorganization, names of structural parts are used for convenience only and shall have no impact on interpretation of the Terms of Reorganization.

If not provided otherwise in these Terms of Reorganization, any reference to the laws, a particular law or other legal act shall mean a reference to the actual wording of the laws, particular law or other legal acts of the Republic Lithuania on the Day of preparation of the Terms of Reorganization.

## **2. GENERAL TERMS**

- 2.1. The goal of the Reorganization is: on the basis of provisions of the Law on Companies of the Republic of Lithuania and the Civil Code of the Republic of Lithuania to merge public joint-stock company INVLT Technology, which after the Reorganization ceases to operate without liquidation process, to public joint-stock company BAIP grupė, which after all the rights and duties (including the name) are transferred, continues its operations under the new name of public joint-stock company INVLT Technology
- 2.2. Preparation of Terms of Reorganization was approved on 5 December 2014 by the decision of shareholders of private limited company BAIP grupė (decision attached as Annex 1) and by the general meeting of the shareholders of public joint-stock company INVLT Technology that was held on 19 December 2014 (protocol attached as Annex 2).
- 2.3. Terms of Reorganization are prepared in accordance with Articles 61-69 of the Law on Companies of the Republic of Lithuania and Chapter VIII of Book Two of the Civil Code of the Republic of Lithuania, taking into account the requirements of other legal acts of the Republic of Lithuania.
- 2.4. Terms of Reorganization are prepared based on financial statements of public joint-stock company INVLT Technology and private limited company BAIP grupė prepared as of 30 September 2014 and taking into account Articles of Association of the public joint - stock company BAIP grupė registered on 18 December 2014 (Annexes 3 and 4).
- 2.5. Together with these Terms of Reorganization a new project of Articles of Association is prepared (Annex 6).
- 2.6. Assessment of the Terms of Reorganization is performed and report is prepared by private limited company MOORE STEPHENS VILNIUS, code 123903963, registered address J. Kubiliaus st. 6, Vilnius (Report of Assessment of the Terms of Reorganization from the day it is submitted to the Company participating in the Reorganization and the Company being Reorganized becomes Annex 7 of the Terms of Reorganization).
- 2.7. In accordance with paragraph 8 of Article 63 of the Law on Companies of the Republic of Lithuania, the Terms of Reorganization will be submitted to the Manager of the Register of Legal Entities, not later than on the day of the public announcement in the source that is stated in the Articles of Association of the Company participating in the Reorganization and the Company being Reorganized - in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities, also announced in the Central regulated information base as well as in the websites of the Company participating in the Reorganization [www.baipgrupe.lt](http://www.baipgrupe.lt) and the Company being Reorganized [www.invltechnology.lt](http://www.invltechnology.lt).
- 2.8. The Company participating in the Reorganization and the Company being Reorganized during all the period starting from the first day of public announcement about preparation of the Terms of Reorganization in the electronic publication for public announcements which is issued by the Manager of the Register of Legal and finishing no earlier than the

day of Completion of Reorganization, publicly and free of charge publish the Terms of Reorganization in their web-sites and indicate publication in these websites day.

- 2.9. In accordance with paragraph 2 of Article 62 of the Law on Companies of the Republic of Lithuania, meetings of the Company participating in the Reorganization and the Company being Reorganized shall make decisions no earlier than 30 days after the Manager of the Register of Legal Entities announces about the Terms of Reorganization received. Protocols of aforementioned meetings shall be submitted to the Manager of the Register of Legal Entities no later than 5 days after the meeting.
- 2.10. Each action of the Reorganization shall be performed taking into consideration general principal and goal - ensure smoothness, transparency, efficiency, economy and rapidity of the Reorganization process despite if the said principle is mentioned or not while describing particular steps of the Reorganization.
- 2.11. The principle mentioned in paragraph 2.10 above shall mean that the time - periods stated by these Terms of Reorganization and legal acts for the particular actions of the Reorganization have to be treated as the maximum time - periods. Therefore, all efforts have to be used, when there is real and reasonable opportunity, in order to complete the said actions immediately, except when it is prohibited by mandatory provisions of the laws or other legal acts. The time - periods stated in these Terms of Reorganization may be missed (or performance of some action delayed) only in cases when those time – periods cannot be kept due to the following reasons: the Reorganization has been suspended and (or) mandatory provisions of the laws prohibit conduction of the particular steps in time – periods stated in the Terms of Reorganization.
- 2.12. Additionally, the principle mentioned in paragraph 2.10 above shall also mean that if in particular situation any action related with the Reorganization may be completed more smoothly, transparently, efficiently and rapidly by another body of the Company participating in the Reorganization or the Company being Reorganized or another person which has a right to act on behalf of the mentioned above companies, this action has to be completed by the said body or person which has the right to act on behalf of the company, except the cases when it is prohibited by mandatory provisions of the laws.

### **3. THE MODE, LEGAL ASSUMPTIONS, EXECUTION AND COMPLETION OF THE REORGANIZATION**

- 3.1. The mode of the Reorganization:
  - 3.1.1. The Reorganization is performed in the manner indicated in paragraph 3 of Article 2.97 of the Civil Code of the Republic of Lithuania, when one legal entity is merged to the other and all the rights and duties of the first subject are transferred to the later.
  - 3.1.2. The Reorganization corresponds with paragraph 1 of part 2 of Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania according to which “entities are reorganised by means of a merger by acquisition, i.e. one or more entities, on being dissolved without going into liquidation, (hereinafter referred to as the “acquired entities”) are merged with another existing entity (hereinafter referred to as the “acquiring entity”) and, at the time of the merger, all the assets, rights and obligations of the acquired entity are transferred to the acquiring entity

and members of the acquired entity, in exchange for the shares (interests, member shares) held in the acquired entity, receive shares (interests, member shares) issued by the acquiring entity, to which all the assets, rights and obligations of the acquired entity are transferred“.

- 3.1.3. As the Reorganization corresponds with cases of reorganization and transfer provided in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 1 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the shareholders of the Company being Reorganized receive shares in the Company participating in the Reorganization in exchange for those held in the Company being Reorganized, the increase of the value of shares shall not be treated as income of such shareholders. In this case, the acquisition price of the shares received in the Company participating in the Reorganization in exchange for the shares of the Company being Reorganized is the acquisition price of the shares exchanged before the transfer was effected.
  - 3.1.4. As the Reorganization corresponds with cases of reorganization and transfer intended in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 2 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Company being Reorganized transfers assets to the Company participating in the Reorganization, the increase in the value of assets shall not be treated as income of the Company being Reorganized. In this case, the acquisition price of such assets shall be the acquisition price of the assets before the transfer was effected.
- 3.2. Legal assumptions of the Reorganization are the following:
- 3.2.1. the authorized capital of the Company participating in the Reorganization and the Company being Reorganized have been fully paid up (shares emission price of the last share issue);
  - 3.2.2. the Company participating in the Reorganization and the Company being Reorganized have not acquired the status of the company being reorganized or involved into the reorganization, or the company being transformed, or the company in liquidation, bankruptcy or restructuring;
  - 3.2.3. preparation of the Terms of Reorganization was approved by the decision of shareholders of private limited company BAIP grupė on 5 December 2014 (Annex 1) and by the general meeting of shareholders of the Company being Reorganized on 19 December 2014 (Annex 2);
  - 3.2.4. the Terms of Reorganization have been drawn up by the Board of the Company participating in the Reorganization and the Board of the Company being Reorganized;
  - 3.2.5. the Terms of Reorganization are assessed and the report is prepared by private limited company MOORE STEPHENS VILNIUS;
  - 3.2.6. the Board of the Company Participating in the Reorganization and the Board of the Company being Reorganized are preparing reports about the intended Reorganization.

3.3. Implementation and Completion of the Reorganization:

- 3.3.1. not later than 30 days before the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized, the information about the prepared Terms of Reorganization shall be one time published in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and provided to all creditors of the Company participating in the Reorganization and the Company being Reorganized in writing (by registered mail or in person). The announcement shall contain further mentioned data and information where the documents listed under the paragraph 3.2.2. of the Terms of Reorganization can be found:
  - 3.3.1.1. information indicated in Article 2.44 of the Civil Code of the Republic of Lithuania about the Company participating in the Reorganization and the Company being Reorganized;
  - 3.3.1.2. mode of the Reorganization;
  - 3.3.1.3. the companies that will continue to operate after the Reorganization;
  - 3.3.1.4. the moment when all the rights and duties of the Company being Reorganized are transferred to the Company participating in the Reorganization.
- 3.3.2. not later than 30 days before the Meeting of the Company Participating in the Reorganization and the Meeting of the Company being Reorganized, both the Company being Reorganized and the Company participating in the Reorganization will offer a possibility for their shareholders and creditors to access further mentioned documents in their web-sites [www.baipgrupe.lt](http://www.baipgrupe.lt) and [www.invltechnology.lt](http://www.invltechnology.lt):
  - 3.3.2.1. Terms of Reorganization;
  - 3.3.2.2. new wording of the Articles of Association of the Company participating in the Reorganization;
  - 3.3.2.3. the sets of annual financial statements, annual reports for the last three years and a set of interim financial statements as of 30 September 2014 of the Company participating in the Reorganization;
  - 3.3.2.4. the sets of annual financial statements, annual reports for the last three years and a set of interim financial statements as of 30 September 2014 of the Company being Reorganized;
  - 3.3.2.5. the report of the assessment of the Terms of Reorganization;
  - 3.3.2.6. the report about the intended Reorganization prepared by the Board of the Company participating in the Reorganization;
  - 3.3.2.7. the report about the intended Reorganization prepared by the Board of the Company being Reorganized.
- 3.3.3. The documents listed in paragraph 3.3.2. of the Terms of Reorganization will be available at no charge for the shareholders on the website of the Company participating in the Reorganization [www.baipgrupe.lt](http://www.baipgrupe.lt) as well as on the website of

the Company being Reorganized [www.invltechnology.lt](http://www.invltechnology.lt) and print or receive copies of these documents at no charge in the offices of the Company participating in the Reorganization and/or the Company being Reorganized during all period indicated in paragraph 2.8.

- 3.3.4. If there are any substantial changes in assets, rights and liabilities from the Day of preparation of the Terms of Reorganization, the manager of the corresponding company will immediately draw up written announcements regarding such changes and will attach to the documents listed in paragraph 3.3.2. of the Terms of Reorganization. If there are any substantial changes in assets, rights and liabilities from the Day of preparation of the Terms of Reorganization till the day of the Meeting of the Company participating in the Reorganization and the day of the Meeting of the Company being Reorganized, the manager of the corresponding company will verbally announce the changes in the meeting of a corresponding company and inform the manager of the other company so he is able to inform shareholders.
- 3.3.5. Proposals regarding the Terms of Reorganization may be submitted by the Board, manager and shareholders of the Company participating in the Reorganization and the Company being Reorganized, holding the shares with their nominal value not less than 1/3 of the authorized capital of corresponding company.
- 3.3.6. The Terms of Reorganization, the report about the intended Reorganization drawn up by the board of the Company participating in the Reorganization, the report about the intended Reorganization drawn up by the board of the Company being Reorganized and the report of the assessment of Terms of Reorganization shall be submitted to the Manager of the Register of Legal Entities no later than on the day information about their preparation is published in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities.
- 3.3.7. From the day of publication about preparation of the Terms of Reorganization, the public joint - stock company BAIP grupė shall acquire the legal status of the Company participating in the Reorganization and public joint-stock company INVL Technology shall acquire the legal status of the Company being Reorganized.
- 3.3.8. Creditors of the Company participating in the Reorganization and the Company being Reorganized may submit their claims from the first day of publication of the Terms of Reorganization until the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized.
- 3.3.9. The decision regarding the Reorganization, approval of the Terms of Reorganization and approval of the Articles of Association of the Company participating in the Reorganization, that will continue its operations after the Reorganization, will be adopted by the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized not earlier than 30 days from the day on which the Manager of the Register of Legal Entities announces about Terms of Reorganization received.

3.3.10. Documents confirming the decisions regarding the Reorganization taken by the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized will be submitted to the Manager of the Register of Legal Entities within 5 (five) days of the corresponding meeting.

3.3.11. The Reorganization will be completed after the fulfilment of all below stated conditions:

- the Register of Legal Entities will register new wording of Articles of Association of the Company participating in the Reorganization amending the authorized capital of the company and the name herein;
- the Register of Legal Entities will deregister the Company being Reorganized;
- the shareholders of the Company participating in the Reorganization will receive shares of the Company being Reorganized in exchange of the shares held in the Company Participating in the Reorganization.

#### **4. THE INFORMATION ABOUT THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE COMPANY BEING REORGANIZED**

4.1. The Company participating in the Reorganization after the Company being Reorganized is merged and ceases to operate as legal person as indicated in these Terms of Reorganization, on the day of Completion of the Reorganization shall take over all assets, rights and liabilities of the Company being Reorganized, including assets, rights and liabilities not indicated in financial statements of the Company being Reorganized, without signing any deeds of transfer – acceptance and shall continue its operations.

4.2. The Company participating in the Reorganization:

4.2.1. The data on the Company participating in the Reorganization as of the Day of preparation of the Terms of Reorganization:

	<b>Description</b>
<b>Name of the legal entity</b>	Public joint-stock company BAIP grupė
<b>Legal form of the legal entity</b>	Public joint-stock company
<b>Registered address</b>	A. Juozapavičiaus str. 6, Vilnius
<b>Company code</b>	300893533
<b>Register which accumulates and stores the data about the legal entity</b>	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
<b>VAT payer's code</b>	LT100003300019
<b>Authorized capital</b>	6 092 685 LTL
<b>Fully paid authorized capital</b>	6 092 685 LTL
<b>Number of shares</b>	6 092 685 units
<b>Nominal value per one share</b>	1 LTL

<b>Class of the shares</b>	Ordinary registered shares
<b>Type of the shares</b>	Uncertificated
<b>ISIN code of the shares</b>	LT0000128860
<b>Regulated market on which the shares are traded</b>	Not traded
<b>Share account manager</b>	Public joint-stock company brokerage house Finasta

4.2.2. The data on the Company participating in the Reorganization after the Completion of the Reorganization:

	<b>Description</b>
<b>Name of the legal entity</b>	Public joint-stock company INVLT Technology
<b>Legal form of the legal entity</b>	Public joint-stock company
<b>Registered address</b>	Gynėjų str. 16, Vilnius
<b>Company code</b>	300893533
<b>Register which accumulates and stores the data about the legal entity</b>	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
<b>VAT payer's code</b>	LT100003300019
<b>Authorized capital</b>	6 114 714 LTL
	1 773 267.06 EUR
<b>Fully paid authorized capital</b>	6 114 714 LTL
	1 773 267.06 EUR
<b>Number of shares</b>	6 114 714 units
<b>Nominal value per one share</b>	1 LTL
	0.29 EUR
<b>Class of the shares</b>	Ordinary registered shares
<b>Type of the shares</b>	Uncertificated
<b>ISIN code of the shares</b>	LT0000128860
<b>Regulated market on which the shares are traded</b>	NASDAQ OMX Vilnius, Baltic Secondary List. The aim is to include the shares in the market within minimal required time indicated in legal acts.

<b>Share account manager</b>	Public joint-stock company brokerage house Finasta
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4.3. The data on the Company being Reorganized:

	<b>Description</b>
<b>Name of the legal entity</b>	Public joint-stock company INVL Technology
<b>Legal form of the legal entity</b>	Public joint-stock company
<b>Registered address</b>	Kalvarijų str. 11A-20, Vilnius
<b>Company code</b>	303299817
<b>Register which accumulates and stores the data about the legal entity</b>	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
<b>VAT payer's code</b>	Not VAT payer
<b>Authorized capital</b>	592 730 LTL
<b>Fully paid authorized capital</b>	592 730 LTL
<b>Number of shares</b>	592 730 units
<b>Nominal value per one share</b>	1 LTL
<b>Class of the shares</b>	Ordinary registered shares
<b>Type of the shares</b>	Uncertificated
<b>ISIN code of the shares</b>	LT0000128738
<b>Regulated market on which the shares are traded</b>	NASDAQ OMX Vilnius.
<b>Share account manager</b>	Public joint-stock company brokerage house Finasta

**5. EXCHANGE RATIO OF THE SHARES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION FOR THE SHARES OF THE COMPANY BEING REORGANIZED, AND THE SUBSTANTIATION THEREOF.**

**THE NUMBER OF SHARES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND OPERATING AFTER THE REORGANIZATION ACCORDING TO THEIR CLASSES AND NOMINAL VALUE.**

**THE RULES OF SHARE ALLOCATION TO THE SHAREHOLDERS**

5.1. As of the Day of preparation of the Terms of Reorganization:

- the authorized fully paid up capital of the Company being Reorganized is 592 730 (five hundred ninety two thousand seven hundred and thirty) litas. It is divided into 592 730

(five hundred ninety two thousand seven hundred and thirty) ordinary registered shares with nominal value of 1 (one) litas each. As of the Day of preparation of the Terms of Reorganization the Company being Reorganized has not acquired its own shares;

- the authorized fully paid capital of the Company participating in the Reorganization is 6 092 685 (six million ninety two thousand six hundred and eighty five) litas. It is divided into 6 092 685 (six million ninety two thousand six hundred and eighty five) ordinary registered shares with nominal value of 1 (one) litas each. As of the Day of preparation of the Terms of Reorganization the Company participating in the Reorganization has not acquired its own shares.

5.2. The exchange ratio at which the shares of the Company being Reorganized are exchanged to the shares of the Company participating in – 6.7856, i.e. for every share of the Company being Reorganized shareholder of the Company being Reorganized shall get 6.7856 ordinary registered shares with nominal value of 1 (one) litas (which is equal to 0.29 euro) each of the Company participating in the Reorganization.

5.3. Substantiation of the shares exchange ratio:

5.3.1. Major assets of the Company being Reorganized as of 30 September 2014:

<b>Asset</b>	<b>Book value 30 September 2014</b>	<b>Description</b>
Shares of the Company participating in the Reorganization	16 996 189	4 000 000 ordinary registered shares with nominal value of 1 (one) litas of the Company participating in the Reorganization
Shares of private limited company Inventio	7 555	10 000 ordinary registered shares with nominal value of 1 (one) litas. Due to the fact that the company is not operating, shares are valued at book value (authorised capital (cash)).
Cash	112 035	Cash in the account
Liabilities	-11 846	Total liabilities
Equity capital	17 103 933	

5.3.2. As of the Day of preparation of the Terms of Reorganization, the Company being Reorganized owns 4 000 000 ordinary registered shares with nominal value of 1 (one) litas of the Company participating in the Reorganization, which is 65.65 percent of total shares of the Company participating in the Reorganization. These shares are not exchanged for the shares of the Company participating in the Reorganization.

5.3.3. Shares of the Company being Reorganized are traded on NASDAQ OMX Vilnius Stock Exchange. Weighted average price of these shares from 18 June 2014 to 18 December 2014 was EUR 9.612830 (LTL 33.1912). Statistics on the trading activity on NASDAQ OMX Vilnius Stock Exchange of the shares of the Company being Reorganized is provided in Annex 10.

5.3.4. Determining exchange ratio, shares of the Company being Reorganized were valued according to the weighted average price of the last six months (as stated in paragraph 5.3.3.), while the value of the shares of the Company participating in the Reorganization is determined by deducting net assets non-related to the shares of the Company participating in the Reorganization from its market capitalization (market value of the shares):

The number of shares of the Company being Reorganized, units	592 730
Weighted average price of the Company being Reorganized, LTL	<b>33,1912</b>
Market capitalization of the Company being Reorganized, LTL	19 673 420
Other net assets of the Company being Reorganized (excluding the shares of the Company participating in the Reorganization), LTL	107 744
Value of the shares of the Company participating in the Reorganization owned by the Company being Reorganized, LTL	19 565 676
Number of shares of the Company participating in the Reorganization owned by the Company being Reorganized, units	4 000 000
Value of one share of the Company participating in the Reorganization	<b>4,8914</b>
Exchange ratio (the number of shares of the Company participating in the Reorganization exchanged for one share of the Company being Reorganized)	<b>6,7856</b>

5.3.5. After assessing exchange ratio sensitivity analysis, depending on different share prices of the Company being Reorganized, price movements between the boundaries of 28 and 37 litas, the deviation of the exchange ratio is negligible and less than 0.1 percent:

Share price of the Company being Reorganized, LTL	28	29	30	31	32	33	34	35	36	37
Share value of the Company participating in the Reorganization, LTL	4,1222	4,2704	4,4185	4,5667	4,7149	4,8631	5,0113	5,1595	5,3076	5,4558
Exchange ratio	6,7925	6,791	6,7896	6,7882	6,787	6,7858	6,7847	6,7837	6,7827	6,7818
Deviation from the determined exchange ratio, %	0,10%	0,08%	0,06%	0,04%	0,02%	0,00%	-0,01%	-0,03%	-0,04%	-0,06%

5.4. According to the determined exchange ratio and applying arithmetic rounding rules:

Number of shares of the Company participating in the Reorganization entitled to the shareholders of the Company being Reorganized, units	4 022 029
Number of shares entitled to the shareholders of the Company participating in the Reorganization (excluding the Company being Reorganized), units	2 092 685

Authorised capital of the Company participating in the Reorganization after the Reorganization	6 114 714 (which is equal to 1 773 267.06 EUR)
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- 5.5. In order to ensure smooth implementation of the share exchange procedure stated in the Terms of Reorganization, the trading on NASDAQ OMX Vilnius Stock Exchange of the shares of the Company participating in the Reorganization will be suspended not later than 2 (two) days until the Meeting of the Company participating in the Reorganization. Shares of the Company participating in the Reorganization will be included in the list of NASDAQ OMX Vilnius Stock Exchange within the minimal time limits indicated in legal acts.
- 5.6. If a fractional amount occurs while calculating a size of a new authorized capital and/or exchanging the shares of the Company participating in the Reorganization for the shares in the Company being Reorganized as indicated in the Terms of Reorganization, the fraction will be rounded to a whole number using arithmetic rounding rules: (i) if the first digit of decimal fractional part is figure 5 or bigger, 1 is added to the last digit of the whole number; (ii) if the first digit of the decimal fractional part is less than 5, the last digit of the whole number will remain unchanged.
- 5.7. If due to arithmetic rounding the total sum of shares of the Company participating in the Reorganization is larger or smaller than the number of shares indicated in paragraph 4.2.2., the number of shares held by the largest shareholder will be adjusted accordingly up or down.

## **6. THE PROCEDURE AND TIME LIMITS OF THE ISSUE OF SHARES OF THE COMPANY OPERATING AFTER THE REORGANIZATION**

- 6.1. At the end of the Day of Exchange of Shares the shareholders of the Company being Reorganized on the basis of these Terms of Reorganization shall dispose shares of the Company being Reorganized and obtain 6.7856 shares of the Company Participating in the Reorganization.
- 6.2. The share account managers of the Company participating in the Reorganization and the Company being Reorganized in accordance with the Terms of Reorganization shall make the necessary records confirming the disposal of the ownership of the shares in the Company being Reorganized and acquisition of the ownership of the shares in the Company participating in the Reorganization.
- 6.3. The shares of the Company participating in the Reorganization after the Completion of the Reorganization will be included in NASDAQ OMX Vilnius Stock Exchange Secondary list on the basis of legal acts.
- 6.4. All rights granted by the shares of the Company being Reorganized that will continue its operations after the Reorganization will be obtained on the day the ownership rights are obtained.

## **7. THE PRICE DIFFERENCE, PAID OUT IN CASH, BETWEEN THE SHARES HELD BY THE SHAREHOLDERS AND THE SHARES TO BE RECEIVED IN THE COMPANY PARTICIPATING IN REORGANIZATION THAT WILL CONTINUE ITS OPERATIONS AFTER THE REORGANIZATION**

7.1. There will be no price difference between the shares exchanged, therefore there will be no payments in cash.

**8. THE MOMENT FROM WHICH THE SHAREHOLDERS OF THE COMPANY BEING REORGANIZED SHALL BE ENTITLED TO PARTICIPATE IN THE PROFITS OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND ALL TERMS RELATED TO THE GRANTING OF THIS RIGHT**

8.1. The shareholders of the Company being Reorganized shall be entitled to participate in the profit of the Company participating in the Reorganization from the Day of Exchange of Shares, i.e. the shareholders shall be entitled to receive dividends from the Company participating in the Reorganization from the day mentioned before.

**9. THE MOMENT FROM WHICH THE ASSETS, RIGHTS AND LIABILITIES OF THE COMPANY BEING REORGANIZED SHALL BE ASSUMED TRANSFERRED TO THE COMPANY PARTICIPATING IN THE REORGANIZATION.**

**THE MOMENT FROM WHICH THE CONTRACTUAL RIGHTS AND LIABILITIES OF THE COMPANY BEING REORGANIZED SHALL BE ASSUMED TRANSFERRED TO THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE TRANSACTIONS SHALL BE INCLUDED INTO ITS ACCOUNTING**

9.1. All the assets, rights and liabilities of the Company being Reorganized, all the contractual rights and liabilities of the Company being Reorganized shall be assumed transferred to the Company participating in the Reorganization and the transactions shall be included into its accounting on the basis of these Terms of Reorganization without additionally signing of transfer – acceptance deeds at the end of the day the Company being Reorganized is deregistered from the Register of Legal Entities.

9.2. From the day the Company being Reorganized is deregistered from the Register of Legal Entities the rights to manage, use and dispose the funds available in the bank accounts of the Company being Reorganized shall be transferred to the Company participating in the Reorganization or these accounts shall be closed and the funds in them shall be transferred to the Company participating in the Reorganization.

9.3. Rights to the assets of the Company being Reorganized that shall be registered according to the legal acts, duties of the Company being Reorganized related to the assets that shall be registered as well as take-over of other duties that shall be registered according to the legal acts, shall be registered if registration is necessary according to mandatory legal norms. Limitations to the rights to the assets that shall be registered, duties related to the assets that shall be registered and other duties that shall be registered according to mandatory legal norms are transferred to the Company participating in the Reorganization from the moment these limitations of the rights and/or duties are registered/re-registered according to the legal acts if this is needed according to mandatory legal acts of the Republic of Lithuania.

9.4. The Company participating in the Reorganization takes-over all the assets, rights and duties of the Company being Reorganized, including but not limited, assets, rights and duties not stated in the financial statements as well as all the tax rights and duties, including but not limited, rights and duties that might emerge after the tax administrator or other state institutions add on arrears or fines according to the legal acts for the

operations of the Company being Reorganized until the day of deregistration from the Register of Legal Entities.

- 9.5. If any assets, rights or liabilities of the Company being Reorganized that are not mentioned earlier will come out after the day of deregistration of the Company being Reorganized from the Register of Legal Entities, they will be transferred to the Company participating in the Reorganization by the procedure provided in paragraph 9.1. of these Terms of Reorganization.
- 9.6. From the day the Company being Reorganized is deregistered from the Register of Legal Entities:
  - 9.6.1. all the assets as well as the rights and liabilities assigned to those assets will be transferred to the Company participating in the Reorganization and included into the accounting of the Company participating in the Reorganization on the basis of these Terms of Reorganization, if otherwise is not provided by mandatory legal acts;
  - 9.6.2. all rights and liabilities related to the assets transferred including contractual rights and liabilities of the Company being Reorganized will be transferred to the Company participating in the Reorganization and will be included into the accounting of the Company participating in the Reorganization if otherwise is not provided by mandatory legal acts or contracts of the Company being Reorganized. If according to mandatory legal acts of the Republic of Lithuania or contracts of the Company being Reorganized the approval of a creditor is required for the transfer of particular liabilities, such liabilities are assigned to the Company participating in the Reorganization from the moment of receiving of particular approval of the creditor, if such moment is subsequent to the moment of assignment of liabilities stated in the Terms of Reorganization. If such approval is not received the Company participating in the Reorganization will put all efforts in order to agree on a replacement of liabilities of the similar content and value;
  - 9.6.3. the Company participating in the Reorganization will start fulfilment of the assigned contractual liabilities in line with the provisions of the contracts.
- 9.7. The drawing up and publication of the Terms of Reorganization will not restrict the right of the Company participating in the Reorganization and the Company being Reorganized to conduct their activity provided in the Articles of Association.
- 9.8. The Company participating in the Reorganization, within the period from publication of the Terms of Reorganization till the Completion of the Reorganization, while signing contracts, will inform another party of its legal status.
- 9.9. The Company being Reorganized, within the period from publication of the Terms of Reorganization till the Completion of the Reorganization, while signing contracts, will inform another party about its legal status and about the potential transfer of rights and/or liabilities under such contract on the basis of these Terms of Reorganization.

## **10. THE RIGHTS OF CREDITORS AT THE MOMENT OF REORGANIZATION**

- 10.1. The rights of the creditors of the Company participating in the Reorganization and the Company being Reorganized are protected by Article 2.101 of the Civil Code of the

Republic of Lithuania and Article 66 of the Law on Companies of the Republic of Lithuania.

- 10.2. The information about the drawn up Terms of Reorganization will be published one time in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and provided to all creditors of the Company participating in the Reorganization and the Company being Reorganized in writing (by registered post or in person).
- 10.3. Each creditor of the Company participating in the Reorganization and the Company being Reorganized will have a right to require to terminate or early discharge of liabilities according to the agreements, also indemnify losses if this is provided in the agreements or there is a ground for believing that the Reorganization will hinder the discharge of the liability and ,in case of the request of the creditors, the company will not be able to provide additional safeguards. The creditors may provide their requests from the first day of publication of the Terms of Reorganization until the meeting of the corresponding company will adopt the resolution of the approval of the Reorganization.
- 10.4. The Company participating in the Reorganization and the Company being Reorganized must provide additional safeguards for the discharge of liabilities to each creditor who so requests, where his rights arose and did not expire before the publication of the drawn up Terms of Reorganization and there is a ground for believing that the Reorganization will hinder the discharge of a liabilities.
- 10.5. The Company participating in the Reorganization and/or the Company being Reorganized may refrain from providing additional safeguards for the discharge of liabilities if the discharge of its liabilities to the creditor is adequately secured by pledge, mortgage, surety or guarantee.
- 10.6. The documents for the registration of the Articles of Association of the Company participating in the Reorganization and deregistration of the Company being Reorganized thereof may not be submitted to the Manager of the Register of Legal Entities if no additional safeguards for the discharge of liabilities have been provided to the creditor who so requested as laid down in these Terms of Reorganization as well as before a court's decision becomes effective if the dispute over additional safeguards for the discharge of liabilities is being heard in court.

## **11. THE RIGHTS GRANTED BY THE COMPANY PARTICIPATING IN THE REORGANIZATION THAT WILL CONTINUE ITS OPERATIONS AFTER THE REORGANIZATION TO THE HOLDERS OF THE SHARES OF DIFFERENT CLASSES, DEBENTURES AND OTHER SECURITIES**

- 11.1. There are no any other securities issued by the Company participating in the Reorganization than 6 092 685 ordinary registered shares with nominal value of 1 litas (which is equal to 0.29 euro) each. The proprietary and non-proprietary rights of the owners of those shares are described by legal acts and the Articles of Association of the company thereof.
- 11.2. From the Day of preparation of the Terms of Reorganization till the Completion of the Reorganization there are no plans to issue additional securities. If any additional securities are issued, these Terms of Reorganization will cease to be valid.

- 11.3. After the Completion of the Reorganization the Company participating in the Reorganization will have issued 6 114 714 ordinary registered shares with nominal value of 1 litas (which is equal to 0.29 euro) each.
- 11.4. After the Completion of the Reorganization ordinary registered shares of the Company participating in the Reorganization will grant shareholders rights set up in the relevant legal acts and the Articles of Association.
- 12. THE SPECIAL RIGHTS GRANTED TO THE MEMBERS OF THE BODIES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE COMPANY BEING REORGANIZED AND TO EXPERTS CARRYING OUT THE ASSESSMENT OF THE TERMS OF REORGANIZATION**
- 12.1. The Terms of Reorganization are assessed and the report on assessment is prepared by private limited company MOORE STEPHENS VILNIUS. The report on assessment shall include:
  - 12.1.1. findings on validity and fairness of the exchange ratio;
  - 12.1.2. methods used to determine the exchange ratio and findings on validity of these methods and impact on the valuation of the shares;
  - 12.1.3. description of assessment difficulties.
- 12.2. Rights granted to private limited company MOORE STEPHENS VILNIUS while assessing the Terms of Reorganization:
  - 12.2.1. receive all the documents needed to assess and prepare the report on assessment of the Terms of Reorganization;
  - 12.2.2. receive all the information needed to assess and prepare the report on assessment of the Terms of Reorganization as well as get the explanations of the managers and employees of the Company participating in the Reorganization and the Company being Reorganized;
  - 12.2.3. all the other rights provided in the agreement with private limited company MOORE STEPHENS VILNIUS and the legal acts of the Republic of Lithuania
- 12.3. As provided in the Articles of Association of the Company being Reorganized the bodies of the company thereof are the following: the general meeting of shareholders, the Board (elected from 3 members) and the Manager (Director). Authorization of the Board and the Manager will cease to be valid from the day the Company being Reorganized is deregistered from the Register of Legal Entities.
- 12.4. As provided in the Articles of Association of the Company participating in the Reorganization the bodies of the company thereof are the following: the general meeting of shareholders, the Board (elected from 5 members) and the Manager (Director).
- 12.5. The structure of the managing bodies of the Company participating in the Reorganization that will continue its operations after the Reorganization will not change after Completion of the Reorganization and will be the following: (i) the Board appointed by the decision of shareholders on 5 December 2014 and (ii) the Manager appointed by the Board on 9 December 2014.

- 12.6. The shareholders of the Company participating in the Reorganization that will continue its operations after the Reorganization will have all rights stated by the Articles of Association of the company thereof and legal acts.
- 12.7. The Board members, Managers and employees of the Company participating in the Reorganization and the Company being Reorganized during the Reorganization will have all rights intended in agreements and the Articles of Association of the companies thereof and as well as legal acts.
- 12.8. The Boards of the Company participating in the Reorganization and the Company being Reorganized will:
  - 12.8.1. prepare the report of the corresponding Board regarding the Reorganization;
  - 12.8.2. make decisions and perform other actions related to the Reorganization and intended in these Terms of Reorganization, decisions of the general meetings of shareholders and corresponding legal acts;
  - 12.8.3. manage the Reorganization and control its course of the corresponding company;
  - 12.8.4. have all other duties and rights stated by legal acts and the Articles of Association the corresponding company.
- 12.9. The Managers of the Company participating in the Reorganization and the Company being Reorganized will:
  - 12.9.1. within their competence take decisions and conduct all actions related with the Reorganization and provided in the Terms of Reorganization and resolutions of the Board of the corresponding company;
  - 12.9.2. ensure publication of information and documentation if it is required by mandatory legal acts;
  - 12.9.3. in accordance with the requirements of law ensure publication of the information about drawn up Terms of Reorganization as well as submission of the Terms of Reorganization and other related documents to the Managers of the Register of Legal Entities;
  - 12.9.4. ensure the disclosure of decisions related with the Reorganization in accordance with the requirements provided by laws;
  - 12.9.5. submit the information and documentation related with the Reorganization to the shareholders and creditors of the corresponding company;
  - 12.9.6. makes decision on provision of additional safeguards for discharge of liabilities to each creditor of the corresponding company;
  - 12.9.7. before the Completion of the Reorganization signs the agreements on behalf of the corresponding company;
  - 12.9.8. at the time of the Reorganization managers of the Company being Reorganized and the Company participating in the Reorganization have all other liabilities and rights stated by legal acts and the Articles of Association of the corresponding company.

### **13. THE COMPLETION OF THE REORGANIZATION**

- 13.1. The Reorganization shall be completed at the Completion of the Reorganization, i.e. from the moment when:
  - 13.1.1. the amended Articles of Association of the Company participating in the Reorganization that continues its operations after the Reorganization will be registered in the Register of Legal Entities;
  - 13.1.2. the Company being Reorganized will be deregistered from the Register of Legal Entities;
  - 13.1.3. shares of the shareholders of the Company being Reorganized will be exchanged for the ordinary registered shares in the Company Participating in the Reorganization (except the Company being Reorganized).

#### **14. ANNEXES TO THE TERMS OF REORGANIZATION**

- 14.1. Annex 1 – The copy of the public joint-stock company BAIP grupė shareholders decision dated 5 December 2014.
- 14.2. Annex 2 – The copy of the Protocol of the general meeting of shareholders of the public joint - stock company INVL Technology dated 19 December 2014.
- 14.3. Annex 3 – The interim financial statements of the public joint-stock company BAIP grupė as of 30 September 2014.
- 14.4. Annex 4 - The interim financial statements of the public joint-stock company INVL Technology as of 30 September 2014.
- 14.5. Annex 5 – The extract of main data of the public joint-stock company BAIP grupė.
- 14.6. Annex 6 – The draft Articles of Association of the public joint-stock company INVL Technology.
- 14.7. Annex 7 – The Report on assessment of the Terms of Reorganization.
- 14.8. Annex 8 – The report on intended Reorganization of the Board of public joint-stock company BAIP grupė.
- 14.9. Annex 9 – The report on intended Reorganization of the Board of public joint-stock company INVL Technology.
- 14.10. Annex 10 – Statistics on the trade of the shares of the public joint-stock company INVL Technology on NASDAQ OMX Vilnius stock exchange.