

DRAFT

## **ARTICLES OF ASSOCIATION OF AB ROKISKIO SURIS**

### **Article 1. General provisions**

- 1.1. AB ROKISKIO SURIS (hereinafter referred to as “the Company”) is an enterprise registered in the Republic of Lithuania, and its authorised capital is divided into shares.
- 1.2. Name of the Company is Public Limited Liability Company Rokiškio sūris, and its short form is AB Rokiškio sūris.
- 1.3. The Company is a private juridical body with limited civil liability.
- 1.4. The Company shall carry out its activity in accordance with the laws of the Republic of Lithuania and other regulatory enactments, the Articles of Association and internal documents of the Company. The Articles of Association may be amended exclusively under a resolution of general shareholders’ meeting with approval of 2/3 of participating shareholders with the voting right.
- 1.5. The financial (business) year of the Company is equal to the calendar year.
- 1.6. The Company has been created for unlimited period of time.

### **Article 2. Targets and object of the Company’s activities**

- 2.1. Object of the Company’s activity is the economical commercial activities related with production and sales of milk and other food produce, and it includes the following business activities aside others:
  - 2.1.1 Dairy business and cheese production (EVRK 10.51);
  - 2.1.2 Ice-cream production (EVRK 10.52);
  - 2.1.3 Wholesale trade in dairy products, eggs, edible oil and fat (EVRK 46.33);
  - 2.1.4 Retail trade in other food products, drinks and tobacco in specialised shops (EVRK 47.29);
  - 2.1.5 Retail trade in non-specialised shops in which food, drinks, and tobacco prevail (EVRK 47.11);
  - 2.1.6 Provision with other temporary premises that have not been attributed to any other classification (EVRK 55.90);
  - 2.1.7 Other retail trade in places other than sales outlets (EVRK 47.99);
  - 2.1.8 Retail trade in fuel for vehicles (EVRK 47.30);
  - 2.1.9 Load carriage by roads (EVRK 49.41);
  - 2.1.10 Other medical treatment of people (EVRK 86.90);
  - 2.1.11 Activities of other physicians (physiotherapy etc.) (EVRK 86.22);
  - 2.1.12 Technical maintenance and repair of vehicles (EVRK 45.20);
  - 2.1.13 Non-specialised wholesale trade in food, drinks, and tobacco (EVRK 46.39);
  - 2.1.14 Purchase and sale of owned real estate (EVRK 68.10);
  - 2.1.15 Rent of vehicles (EVRK 77.11);

- 2.1.16 Other wholesale trade (EVRK 46.90);
- 2.1.17 Odontology practice (EVRK 86.23);
- 2.1.18 Sale of vehicles (EVRK 45.11);
- 2.1.19 Sale of spare parts and accessories of vehicles (EVRK 45.32);
- 2.1.20 Retail sale of oils and cooling liquid of vehicles (EVRK 47.30);
- 2.1.21 Wholesale of machinery, equipment and necessities used in industry, trade and navigation (EVRK 46.69);
- 2.1.22 Retail sale in kiosks and markets (EVRK 47.81);
- 2.1.23 Canteens (EVRK 56.29);
- 2.1.24 Public catering (EVRK 56.21);
- 2.1.25 Cargo handling (EVRK 52.24);
- 2.1.26 Storage and warehousing (EVRK 52.10);
- 2.1.27 Purchasing and sale of real assets possessed with the ownership right (EVRK 68.10);
- 2.1.28 Lease of real assets possessed with the ownership or other right (EVRK 68.20);
- 2.1.29 Promotion activity (EVRK 73.11);
- 2.1.30 Employment of manpower and provision with personnel (EVRK 78.20);
- 2.1.31 Other, not described elsewhere, financial mediation (EVRK 64.20);
- 2.1.32 Managing of finance market (EVRK 66.11);
- 2.1.33 Auxiliary activity of not described elsewhere financial mediation (EVRK 66.19);
- 2.1.34 Financial consultations (EVRK 66.19);
- 2.1.35 Production of electricity (EVRK 35.11);
- 2.1.36 Water supply and cleaning (EVRK 36.00.10);
- 2.1.37 Other service activity not described elsewhere (EVRK 96.09);
- 2.1.38 Retail sales of non-soft and other drinks (EVRK 47.25);
- 2.1.39 Retail sales of alcohol (EVRK 47.25.10);
- 2.1.40 Retail sales of diesel fuel (EVRK 47.30);
- 2.1.41 Retail sales of petrol (EVRK 46.71.20);
- 2.1.42 Wholesales of diesel fuel (EVRK 46.71.40);
- 2.1.43 Wholesales of oil (EVRK 46.71.50).

The Company may also carry out other business activities if such activities are permitted under the laws of the Republic of Lithuania. The Company shall apply and receive relevant permissions, authorisations, consents or licences of relevant state bodies, should any such permission, authorisation, licence and consent be required in order to carry out any of the business activities of the Company.

2.2. The Company's target is to carry out profitable business in accordance with the laws of the Republic of Lithuania and these Articles.

2.3. Products and services of the Company may be sold in the Republic of Lithuania and abroad.

2.4. The Company shall conduct its business in accordance with the Strategic Plan (with respect to both content and timing) as approved by the Board of Directors.

2.5. The Company shall maintain its bookkeeping accounts in compliance with general bookkeeping principles approved within Lithuania as well as international accounting standards ("IAS").

### **Article 3. Authorised Capital and Shares. Shareholder rights**

- 3.1. Authorised Capital of the Company is equal to EUR 10,401,711.30 (ten million four hundred one thousand seven hundred eleven euros 30 ct) divided into 35,867,970 (thirty five million eight hundred sixty seven thousand nine hundred seventy) ordinary registered shares at a par value of EUR 0.29 (twenty nine hundredth of a euro).
- 3.2. The authorised capital may be increased or decreased by a resolution of the General Meeting adopted by a  $\frac{2}{3}$  majority vote of those shareholders present at the General Meeting. The decision on increase and decrease of the Company's Authorised Capital becomes effective only upon state registration of such increase or decrease in the Register of Enterprises of the Republic of Lithuania.
- 3.3. Each ordinary registered share gives one vote to its holder at the General Meeting of Shareholders.
- 3.4. The shareholders shall have the following non-property rights:
  - (a) to attend general meetings of shareholders and vote;
  - (b) to submit inquiries to the Company beforehand in relation with agenda of general meeting of shareholders;
  - (c) to receive information on the business activities of the Company;
  - (d) to appeal the Court with demand to reimburse damage occurred due to failure to meet obligations of the Company's executive manager and Board of Directors as stated by the Law on Companies of the Republic of Lithuania (hereinafter – Law on Companies), other laws, the Articles of Association as well as in any other legal cases;
  - (e) other non-property rights as it is foreseen by the laws of the Republic of Lithuania.
- 3.5. The shareholders shall have the following property rights:
  - (a) to receive a certain portion of the Company's profit (dividend);
  - (b) to receive resources when the Company's authorized capital is decreased in order to make payouts of the Company's resources to shareholders;
  - (c) to receive a portion of assets of the Company in liquidation;
  - (d) to receive shares for free if the authorised capital is increased by the funds of the Company;

(e) to have a priority right to acquire any newly issued shares of the Company unless the General Meeting of Shareholders resolves to revoke priority right of all shareholders in accordance with the Law on Companies;

(f) to lend to the Company in accordance with the laws of the Republic of Lithuania;

(g) to bequeath all or part of the shares to one or several persons;

(h) to sell or transfer in any other way all or part of shares to any third party;

(i) to have any other property rights as foreseen by the laws of the Republic of Lithuania.

3.6. All holders of ordinary registered shares have equal rights and obligations. Shareholders do not have any property liabilities to the Company, except the obligation to pay for the shares subscribed for the emission price according to the respective procedure.

3.7. Shares of the Company are dematerialised, i.e. they are evidenced by entries in securities accounts. Personal accounts of securities are handled in accordance with the legal documents applied to the securities market. Keepers of the personal securities accounts at the request of shareholder have to issue an extract from the securities accounts indicating the number of shares and another information on the shares inscribed into the account as it is foreseen by the legal documents.

3.8. The General Meeting of the Shareholders may resolve to convert the Company's shares of one type into the different type of Company's shares.

#### **Article 4. Management bodies**

4.1. The managing bodies of the Company shall consist of:

- (a) the General Meeting of Shareholders;
- (b) the Board of Directors; and
- (c) the Chief Executive Officer (the Director).

4.2. Management bodies of the Company shall act for the benefit of the Company and its shareholders, they will pursue laws and legal acts of the Republic of Lithuania as well as the Articles of Association.

#### **Article 5. General Meeting of Shareholders**

5.1. Competency of General Meeting of Shareholders, as well as procedure of its summoning and circulation of information and documents agree with the competency

of General Meeting of Shareholders, as well as procedure of its summoning and circulation of information and documents described by the Law on Companies.

5.2. General meeting of shareholders may elect an inspector for forthcoming general meeting of shareholders. An inspector of general meeting of shareholders is the Company's shareholder.

5.3. General meeting of shareholders must not adopt resolutions for the items not included in the agenda unless all shareholders with voting right are participating and there are no shareholders voted in written. General meeting of shareholders may adopt resolutions and it is considered effective if the meeting is participated by the shareholders whose shares provide over ½ of all votes. Once the quorum is stated, it is considered that it exists during all meeting. If the meeting does not have the quorum, general meeting of shareholders is considered as not intervened, and general meeting of shareholders shall be summoned repeatedly. The meeting has a right to adopt resolutions according to the agenda of not intervened meeting for which the requirement of quorum is not applied.

5.4. Resolution of General meeting of shareholders is adopted if it is supported by more votes than voted against unless the following items are voted:

- (a) amendment of the articles of association;
- (b) increase of the authorised capital;
- (c) establishment of the class, number, nominal value and minimal price of share emission;
- (d) cancellation of prerogative right to all shareholders to acquire the Company's shares of a certain emission;
- (e) decrease of the authorised capital;
- (f) emission of convertible bonds;
- (g) conversion of one type of shares into the shares of another type, approval of exchange procedure of the Company's shares;
- (h) reorganization or segregation of the Company and approval of terms for reorganization or segregation;
- (i) liquidation of the Company or cease of liquidation;
- (j) reformation or restructurization of the Company;
- (k) distribution of profit (loss);
- (l) formation, use, decrease or cancellation of reserves;
- (m) dividend allocation for the period shorter than a fiscal year.

In all those cases except point 5.4 (d) of the Articles, resolutions may be adopted with the participated majority of 2/3 of shares with the voting right. Resolution for an item of point 5.4 (d) may be adopted with the participated majority of 3/4 of shares with the voting right.

5.5. General meeting of shareholders shall be minuted. The Minutes may not be documented when the adopted resolutions are signed by all shareholders of the Company or the Company's has only one shareholder.

5.6. Every general meeting of shareholders elects its Chairman and Secretary. Not later than within 7 (seven) days after the meeting's day The Minutes of general shareholders' meeting shall be signed by the Chairman of the Meeting, and Secretary, also it may be signed by persons authorised by the meeting. If all participated shareholders vote in written, the Minutes are documented and signed by the Company's manager pursuing the votes received. The shareholders participated at the meeting have the right to read the Minutes and within 3 (three) days from the moment but not more than within 10 (ten) days after the day of general meeting of shareholders, to submit written remarks or opinion regarding the facts stated in the Minutes or its form. General meeting of shareholders do not elect a secretary of the meeting if it is participated by less than 3 (three) shareholders. In this case the list of shareholders' registration and the minutes shall be signed by the chairman of the meeting. Chairman and secretary are not elected when all participants have voted in written.

5.7. General meeting of shareholders do not have the right to authorise other governing bodies of the Company to resolve the issues assigned to its competence.

#### **Article 6. The Board of Directors**

6.1. The Board of Directors is a collegial management body consisting of 5 (five) members. The Board of Directors shall be elected and recalled by General Meeting according to the procedure prescribed by the Law on Companies.

6.2. The Board of Directors elects a Chairman from its members.

6.3. Members of the Board of Directors shall be elected for a period of 4 (four) years. Number of cadences is not limited.

6.4. The Board of Directors shall execute its activities during the period of their cadence or until another Board of Directors is elected and proceeds working, but not longer than the date of general meeting of shareholders of the year when the cadence ends.

6.5. Competence of the Board of Directors is equal to the Competence of the Board of Directors stated by the Law on Companies.

6.6. Every member of the Board of Directors has a right to summon Board meeting.

6.7. Members of the Board shall have equal voting rights. Every member has one vote. When the votes "for" and "against" are equal, the vote of Board Chairman prevails. A member of the Board may inform on his/her volition in a prior written note when a "for" or "against" decision is required for a project to which he/she has been introduced in advance. A member of the Board of Directors shall have no right to vote when the meeting is considering the issues concerning his/her liability or his/her personal activity in the Company.

6.8. The Board of Directors may adopt resolutions and the meeting is considered effective when it is participated by 2/3 or more of the Board members. The Board

members having voted in advanced are considered to be participated. A resolution is adopted when the votes “for” exceed the votes “against”.

6.9. Meetings of the Board shall be held at least once every three months. At least 5 (five) days in advance all members of the Board of Directors shall receive a written notice on the summoned Board meeting and its agenda stating the items to be considered. The detailed procedure for conducting Board of Directors meetings and adoption of the decisions at such meetings shall be contained in Work Regulations.

6.10. The Board of Directors have to invite the company’s manager to every meeting, if he/she is not a member of the Board, also it should be ensured that the company’s manager has all available information on the items of meeting’s agenda. The company’s chief finance manager has a right to participate at the Board meetings.

6.11. Performance of members of the Board of Directors may be paid by tantiemes as stated by the Law on Companies.

#### **Article 7. Head of Administration (Chief Executive Officer)**

7.1. Chief Executive officer is one-man governing body of the Company who organise the routine business activities of the Company, considers and solves issues related with the Company’s long term strategy and business plan. Interacting with other bodies chief executive officer acts on behalf of the Company.

7.2. Chief Executive Officer is elected and recalled by the Board of Directors who also establish his/ her salary, approves his/ her Job Description, promotes and penalise. Board Chairman or other authorised Board member signs the employment contract with Chief Executive Officer. Election or recall of Chief Executive Officer as well as end of employment contract based on any other reasons shall be reported to the Registry of Juridical Bodies not later than within 5 (five) working days.

7.3. In his\her activities Chief Executive Officer shall be guided by the laws of the Republic of Lithuania, other legal acts, the Articles of Association, resolutions of the General Meeting of Shareholders, decisions of the Board, and the job description.

7.4. Competence of chief executive office is the same as it is described by the Law on Companies.

#### **Article 8. Procedure regarding establishment of branches and agencies and termination of their activities, procedure regarding appointment and recall of managers of the branches and agencies**

Board of Directors resolve regarding establishment of branches and agencies and termination of their activities, as well as appointment and recall of managers of the branches and agencies.

## **Article 9. Procedure regarding documents and other information submission to shareholders**

9.1. Upon a written request of a shareholder, the Company not later than within 7 (seven) days from the date of receipt of written request concerned, is to create conditions for the appropriate shareholder to inspect and (or) to get copies of the following documents: the Company's Articles of Association, sets of annual and interim financial accounts, the company's annual and interim reports, auditor's conclusions and reports, the Minutes of general meetings of shareholders or other documents the Meeting resolutions have been documented upon, lists of shareholders, lists of Board members and other Company's documents that can be disclosed upon laws as well as the Minutes of the Board meetings or other documents to be documented upon the Company's decision provided these documents are not related with the Company's commercial (industrial) secrets, and confidential information. A shareholder or a group of shareholders owning or managing more than ½ shares after having provided the Company with a written and prepared upon established form obligation not to disclose the Company's confidential information, commercial (industrial) secrets, shall have the right to inspect all the Company's documents.

9.2. The list of shareholders of public limited liability company provided to the shareholders of public limited liability company shall include number of the nominal shares owned by shareholders with the ownership right and the data of each shareholder or each owner subject a share is hold by a few owners, as well as the data of their representatives (name and surname of physical body, place of his/her residence or address for correspondence; name of juridical body, its legal status, and place of residence).

9.3. Not later than 21 (twenty one) day prior to the General Meeting of Shareholders, the Company provides the following information and documents on its website: notification on the summoning of general meeting of shareholders; total number of shares and number of shares with voting rights as of the day of the meeting; draft resolutions regarding every item of the agenda of general shareholders' meeting or, in case no resolutions needed, explication made by the Board and shareholders, and other documents that have to be provided for general meeting of shareholders; general voting bulletin, and a form, if such exists, of power of attorney to participate at the general meeting of shareholders which should be used when voting upon authorisation unless the general voting bulleting and the form of power of attorney are send directly to every shareholder.

Before the general shareholders' meeting a shareholder shall be provided with the information regarding his/ her inquiry related with the items of the meeting's agenda if the inquiry was placed not less than 3 (three) working days prior the general meeting of shareholders.

9.4. The Company's documents, their copies or any other information shall be provided to shareholders at cost which shall not exceed the expenses of preparation of such documents or information.



**Article 10. Procedure of announcement of the Company's notifications**

10.1. A note on convocation of general shareholders' meeting is announced publicly and the related information is circulated as regulated by the Law on Companies of the Republic of Lithuania, and the Law on Securities of the Republic of Lithuania.

10.2. In cases set by the Law on Companies of the Republic of Lithuania, as well as other laws and the Articles of Association when the Company's notices shall be announced publicly, they are announced in an electronic release "Public announcements of juridical bodies" published by a public corporation "VĮ Registrų centras" (excluding notifications on material events and other notifications provided by legal acts regulating public trade in securities when the notifications are announced in accordance with the applicable procedure). Other public announcements to be released in accordance with the applicable laws (including announcements on the reorganization of the Company, and decrease of the Authorized capital) shall be announced in electronic release "Public announcements of juridical bodies" published by a public corporation "VĮ Registrų centras" or circulated to every shareholder or other person to be informed by the registered mail or given upon signature. The Company's announcements are announced and/ or sent pursuing the terms set by the Lithuanian Laws and the Articles of Association. The Company's head manager takes responsibility for the timely announcement of the Company's information and its circulation.

**Article 11. Procedure of amendments to be made to the Articles of Association**

11.1. The Company's Articles of Association may be amended upon the initiative of the Board of Directors or the shareholders whose shares provide not less than 1/20 of the total votes. Resolution to make changes to the Articles of Association shall be accepted by the General Meeting of Shareholders when it is approved by 2/3 of the participating votes. If the General Meeting of Shareholders decides to make amendments to the Articles of Association, the full text of new reading is prepared and signed by the authorised person by the General Meeting of Shareholders.

Person authorised by the  
General Meeting of Shareholders

Antanas Trumpa

Date of signing: