

**The Draft Decisions of The Ordinary General Meeting of Shareholders called on  
30 April, 2015**

- 1. On presentation of the consolidated annual report of the Company for 2014 to the shareholders.**
  - 1.1. Taken into consideration.
- 2. On presentation of the auditor's report of the Company to the shareholders.**
  - 2.1. Taken into consideration.
- 3. On approval of the set of consolidated annual financial statements of the Company for 2014.**
  - 3.1. To approve the set of consolidated annual financial statements of the Company for 2014.
- 4. On distribution of profit (loss) of the Company of 2014.**
  - 4.1. To approve the distribution of profit (loss) of the Company of 2014 as indicated in the table below.

	Amounts (EUR 000's)	Amounts (LTL 000's)
Retained earnings – profit (loss) brought forward from the previous year	14,270	49,271
Net result of the financial year – profit (loss)	3,718	12,839
Profit (loss) of the reporting financial year not recognised in the income statement	-	-
Transfers from reserves	-	-
Shareholders' contributions against losses of the Company	-	-
Profit (loss) available for distribution at the end of the financial year	17,988	62,110
Profit distribution:		
Transfers to the legal reserve	-	-
Transfers to the reserve for acquisition of own shares	-	-
Transfers to other reserves	-	-
For dividend	948.3	3,274.29
For annual payments (bonuses) for the Board members		
Retained earnings – profit (loss) at the end of the financial year	17,039.7	58,835.71

4.2. To pay dividend in the amount of EUR 948,300 (LTL 3,274,290), i.e. the dividend of EUR 0.03 (LTL 0.10) per one share with the nominal value of LTL 1. To pay the dividend to the shareholders within the time limit set by the Law of the Republic of Lithuania on Companies.

- 5. Regarding election of the audit company for auditing the Company's set of annual financial statements and of the Company's consolidated set of financial statements for 2015 and for evaluation of the consolidated annual report of the Company.**
  - 5.1. To elect UAB ERNST & YOUNG BALTIC, legal entity code 110878442, as the audit company which will audit the Company's set of annual financial statements and of the Company's consolidated set of financial statements for 2015 and will evaluate the consolidated annual report of the Company.
- 6. Regarding establishment of the conditions of payment for the audit services.**
  - 6.1. To set the remuneration in the amount of EUR 49,988 (forty nine thousand nine hundred and eighty eight euros), VAT excl., for the services of auditing the Company's set of annual financial statements and of the Company's consolidated set of financial statements for 2015 and for evaluation of the consolidated annual report of the Company.
  - 6.2. To instruct the Manager of AB City Service or a person authorised by him to conclude and sign the agreement for audit services with UAB ERNST & YOUNG BALTIC and to determine any other terms and conditions of the agreement for audit services at his own discretion, as well as to make and sign related documents and handle any other matters in connection with proper performance of the audit.
- 7. Initiation of formation of the European company (SE).**
  - 7.1. To approve of the participation of AB City Service in the formation of the European company (*Societas Europaea*) by way of merger by acquisition, during which AB City Service will be merged to its subsidiary City Service EU, AS (a public limited liability company registered in the Republic of Estonia, legal entity code

12827710, address of the registered office J. Kunderi 8a, Tallinn, 10121, Republic of Estonia, 100% of shares of which is held by the Company), which will acquire the legal form of a European company (SE).

**8. Initiation of admission of shares of the Company to trading on the regulated market the Warsaw Stock Exchange.**

8.1. To initiate admission of all the outstanding shares of the Company to trading on the regulated market the Warsaw Stock Exchange.

8.2. To determine that the admission of shares of the Company to trading on the regulated market the Warsaw Stock Exchange must be implemented no later than within 18 (eighteen) months after the date of adoption of this decision.

8.3. To determine that the Board of the Company has the right to choose such a mechanism of admission of shares of the Company to trading on the regulated market the Warsaw Stock Exchange, which would ensure admission of the shares either straight of the already formed European company (SE), formation of which is provided for in the decision on issue No. 7 of the agenda of this meeting, to trading on the above-indicated regulated market, or at first of the shares of AB City Service and later of the shares of the formed European company (SE).

**9. Initiation of delisting of shares of the Company from trading on the regulated market AB NASDAQ OMX Vilnius.**

9.1. To initiate delisting of all the outstanding shares of the Company and to delist them from trading on the regulated market AB NASDAQ OMX Vilnius.

9.2. To determine that all the outstanding shares of the Company will be delisted from trading on the regulated market AB NASDAQ OMX Vilnius only on the condition that and only after the shares of the Company are admitted to trading on the regulated market the Warsaw Stock Exchange.

9.3. Referring to the above, the shareholders, who voted for the decision to delist the shares of the Company from trading on the regulated market AB NASDAQ OMX Vilnius (unless these shareholders agree that one or several shareholders will perform this obligation for other shareholders), will submit the circular of the tender offer, aimed at delisting the shares of the Company from trading on AB NASDAQ OMX Vilnius, to the Bank of Lithuania for approval within 20 (twenty) days after the admission of shares of the Company to trading on the Warsaw Stock Exchange.

9.4. The price of the tender offer, aimed at delisting the shares of the Company from trading on AB NASDAQ OMX Vilnius, will be set according to paragraph 4 of Article 38 of the Law of the Republic of Lithuania on Securities, in any case ensuring protection of rights and interests of the shareholders of the Company.

9.5. Taking into account the decision taken by the general meeting of shareholders of the Company, which is indicated in item 8.3 above, in case of admission of shares straight of the already formed European company (SE), formation of which is provided for in the decision on issue No. 7 of the agenda of this meeting and to which all the rights and obligations of the Company will pass (after such formation), to trading on the regulated market the Warsaw Stock Exchange, all the decisions regarding delisting of the shares from trading on the regulated market AB NASDAQ OMX Vilnius, taken on this issue of the agenda, would also be applicable to the formed European company (SE) and its shareholders.

**10. Authorisations**

To authorise and obligate the Board of the Company to perform all the necessary actions and to sign all the documents necessary:

10.1. In formation of the European company, as provided for in the decision on issue No. 7 of the agenda of this meeting, including, but not limited to, in drawing up and preparing the draft terms of merger of the Company and City Service EU, AS, the merger report, the Statutes of the European company (SE) that will operate after the merger, etc., at its own discretion.

10.2. In initiating the admission of all the outstanding shares of the Company (formed SE) to trading on the regulated market the Warsaw Stock Exchange, as provided for in the decision on issue No. 8 of the agenda of this meeting, including, but not limited to, in choosing the time of such admission of the shares to trading on the regulated market, determining its conditions, as well as in drawing up, approval and necessary announcement of the Information Memorandum intended for the admission of the shares to trading on the regulated market the Warsaw Stock Exchange, etc.

10.3. In initiating the delisting of all the outstanding shares of the Company (formed SE) from trading on the regulated market AB NASDAQ OMX Vilnius, as provided for in the decision on issue No. 9 of the agenda of this meeting, but only on the condition that and only after they are admitted to trading on the regulated market the Warsaw Stock Exchange.

**11. Approval of the new wording of the Articles of Association of the Company.**

11.1. Taking into account the change of the national currency of Lithuania (from litas to the euro) and amendments to legal acts in connection with this, to approve a new wording of the Articles of Association of the Company, which is enclosed as an annex to these minutes of the meeting. To authorize general manager or his authorised person to sign the new wording of the Articles of Association of Akcinė bendrovė City Service.

# AB City Service

## ARTICLES OF ASSOCIATION

### 1. GENERAL PROVISIONS

1.1. AB City Service (hereinafter referred to as the “Company”) is a private legal entity of limited civil liability engaged in activities that are not prohibited by the laws of the Republic of Lithuania, able to acquire on its behalf and have rights and obligations, able to be a plaintiff and a respondent in court, having commercial, economic, financial, organizational, and legal independence, and adhering to these articles of association (hereinafter referred to as the “Articles of Association”), the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, and other laws and legal acts of the Republic of Lithuania.

1.2. The Company is liable for its obligations to the extent of the assets owned by the Company. The Company is not liable for the obligations of its shareholders and its shareholders are not liable for the obligations of the Company. The shareholders do not have any other obligations to the Company save for the obligation to pay for, in the established manner, all shares subscribed by them at their issue price.

1.3. The Company is an enterprise the authorized capital of which is divided into parts called shares.

1.4. The name of the Company is **AB City Service**.

1.5. Legal form of the Company: **public limited liability company**.

1.6. The Company is established for an unlimited period of time.

1.7. The financial year of the Company is a calendar year, i.e. a period of 12 months starting on 1 January and ending on 31 December.

### 2. PURPOSES AND ACTIVITIES OF THE COMPANY

2.1. The main purpose of the Company’s activities is to pursue and develop, at its own choice, any commercial, economic, financial and industrial activity not prohibited by law in an efficient and productive way in order to earn profit.

2.2. The objectives of the Company’s activities:

2.2.1. to render buildings (facility) administration services;

2.2.2. to render services of maintenance of engineering systems (heat and hot water supply, water supply and sewerage, ventilation and air-conditioning, power supply systems, etc.);

2.2.3. to provide services of technical audit of buildings, to advice on the issues of technical maintenance and usage of energy resources;

2.2.4. to manage energy resources effectively;

2.2.5. to exercise supervision and control of various subcontractors (operating in the sectors of cleaning of premises and territory, security, repair works and renovation, maintenance of gas supply systems, elevators, etc.);

2.2.6. to manage and exercise projects of renovation of buildings and the heating sector;

2.2.7. to render services of employees’ safety and health and to perform quality control over services provided;

2.2.8. to perform collection of debts and render debt collection services;

2.2.9. to render elevator and escalator maintenance, installation, production and repair services;

2.2.10. to render courier services;

2.2.11. to render other services.

2.3. The main economic and commercial activities of the Company according to the NACE classification:

Repair of fabricated metal products, machinery and equipment;

Sewerage;

Collection of non-hazardous waste;

Treatment and disposal of non-hazardous waste;

Remediation activities and other waste management services;

Construction of residential and non-residential buildings;  
Repair, restoration and reconstruction of buildings;  
Construction of utility projects for fluids;  
Construction of utility projects for electricity and telecommunications;  
Construction of other civil engineering projects n.e.c.;  
Demolition;  
Site preparation;  
Electrical installation;  
Installation of electrical system in buildings and constructions;  
Installation of fire-alarm and security signal;  
Aerials, installation of communications systems;  
Plumbing, heat and air conditioning installation;  
Other installation;  
Building completion and finishing;  
Plastering;  
Joinery installation;  
Floor and wall covering;  
Painting and glazing;  
Other building completion and finishing;  
Roofing activities;  
Other specialized construction activities n.e.c.;  
Transport via pipeline;  
Maintenance and repair of motor vehicles;  
Warehousing and storage;  
Service activities incidental to land transportation;  
Maintenance of parkings;  
Maintenance of technical equipment regulating street traffic;  
Maintenance of streets, roads, bridges, tunnels;  
Maintenance of railways;  
Other postal and courier activities;  
Other publishing activities;  
Computer programming activities;  
Computer consultancy activities;  
Computer facilities management activities;  
Other information technology and computer service activities;  
Data processing, hosting and related activities;  
Renting and operating of own or leased real estate;  
Management of real estate on a fee or contract basis;  
Legal activities;  
Accounting, bookkeeping and auditing activities; tax consultancy;  
Business and other management consultancy activities;  
Technical testing and analysis;  
Advertising agencies;  
Media representation;  
Market research and public opinion polling;  
Other professional, scientific and technical activities n.e.c.;  
Renting and leasing of cars and light motor vehicles;  
Renting and leasing of construction and civil engineering machinery and equipment;  
Security systems service activities;  
Combined facilities support activities;  
General cleaning of buildings;  
Other building and industrial cleaning activities;  
Other cleaning activities;  
Landscape service activities;  
Office administrative and support activities;  
Call centre activities;  
Business support service activities n.e.c.;  
Activities of collection agencies and credit bureaus;  
Technical and vocational secondary education;  
Other education n.e.c.;  
Educational support activities;  
Maintenance of sports equipment;

Activities of business, employers and professional membership organizations;  
Repair of computers and peripheral equipment;  
Repair of communication equipment;  
Repair of furniture and home furnishings;  
Wash and (dry) cleaning of textile products.

2.4. The Company also can pursue any other lawful economic (commercial) activity that is not mentioned in articles 2.1 – 2.3.

2.5. The Company will pursue any activity subject to licensing or activity can be performed only under the established procedure only after getting appropriate licenses or permits.

2.6. There is nothing in articles 2.1 – 2.3 hereof that could limit the Company's right to engage in non-commercial activity, including, but not limited to, to perform actions and/or conduct transactions which are not aimed at earning income or profit and which do not make income or profit, or the Company's right to change, suspend or discontinue its activities.

### **3. AUTHORISED CAPITAL AND SHARES**

3.1. The authorized capital of the Company is equal to EUR **9,166,900** (nine million one hundred sixty six thousand nine hundred euros).

3.2. The authorized capital is divided into **31,610,000** (thirty one million six hundred and ten thousand) ordinary registered book-entry shares. The nominal value of one share is EUR **0.29** (twenty nine euro cents).

3.3. The procedure and terms of payment for the shares are specified in the share subscription agreements.

3.4. The authorized capital of the Company may be increased or decreased according to the decision of the general meeting of shareholders. The authorized capital of the Company is considered increased or decreased only after the amended Articles of Association of the Company are registered with the Register of Legal Entities.

3.5. The shares of the Company are book-entry shares. The owner of a book-entry share (a shareholder) is an individual in whose name a personal securities account is opened, unless otherwise provided for by exceptions in the law. The personal securities accounts of the Company's shareholders are administered pursuant to the procedure established in the legal acts that regulate the securities market.

3.6. The amount of authorized capital is equal to the sum of the nominal values of all the subscribed shares of the Company.

3.7. If the equity of the Company becomes smaller than  $\frac{1}{2}$  of the amount of the authorized capital specified in the Articles of Association, no later than within 3 (three) months from the day when the Board becomes aware or should have become aware of this situation, the Board must convene a general meeting of shareholders at which issues regarding the decisions to cover losses with the shareholders' contributions or to reduce the authorized capital, or to transform or liquidate the Company must be discussed. The situation in the Company must be remedied no later than within 6 (six) months from the day when the Board becomes aware or should have become aware of the situation.

3.8. If at the general meeting of shareholders a decision regarding remedy of the situation is not adopted or the situation is been remedied within 6 (six) months from the day when the Board becomes aware or should have become aware of the situation, the Board no later than within 2 (two) months after the general meeting of shareholders must apply to court regarding the reduction of the authorized capital of the Company by the amount that the equity became smaller than the authorized capital, but if after such a reduction the authorized capital were smaller than the minimal amount of the authorized capital allowed by the Law on Companies, then the reduction must be made only to the minimal established amount of the authorized capital. After the court's decision concerning the reduction of the authorized capital comes into force, the Board must change the amount of the authorized capital and the number of shares and/or the nominal value of the shares specified in the Articles of Association, and annul the

shares.

#### **4. RIGHTS OF SHAREHOLDERS**

4.1. Shares are securities that certify their owner's (shareholder's) right to participate in managing the Company if it is not provided otherwise by the law, the right to receive a dividend, the right to a part of the Company's assets after the liquidation of the Company, and other rights prescribed in the law.

4.2. A shareholder has the following property rights:

4.2.1. to receive a part of the Company's profit (dividend);

4.2.2. to receive a share of the assets of the Company in liquidation;

4.2.3. to receive funds from the Company, if the authorized capital of the Company is decreased in order to disburse funds of the Company to the shareholders;

4.2.4. to receive shares without payment if the authorized capital is being increased out of the Company's funds, except in cases provided for by the laws;

4.2.5. to have the pre-emption right, except in cases when the general meeting of shareholders decides to withdraw for all shareholders the pre-emption right, in acquiring the Company's newly issued shares;

4.2.6. to lend funds to the Company in ways prescribed by laws, but when borrowing from its shareholders, the Company may not offer its assets to the shareholders as collateral. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks in the place of residence or business of the lender, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from agreeing on a higher interest rate;

4.2.7. other property rights prescribed by the laws.

4.3. A shareholder has the following non-property rights:

4.3.1. to attend the general meetings of shareholders. Shareholder's right to attend general meeting of shareholders also includes the right to speak and to ask;

4.3.2. to vote at the general meetings of shareholders according to voting rights carried by their shares;

4.3.3. to authorize by electronic means a natural or legal person to attend and vote on behalf of the shareholder at a the general meeting of shareholders. The shareholder must inform the Company about the power of attorney issued electronically;

4.3.4. to receive information about the Company as provided for in the Law on Companies;

4.3.5. to address the court claiming compensation for damage caused to the Company as a result of nonfeasance or malfeasance by the Manager and by the Board members of the Company of their duties prescribed by the Law on Companies and by other laws and these Articles of Association as well as in other cases provided for by laws;

4.3.6. to give any questions to the Company, relating to the issues on the agenda of general meetings of shareholders in advance as provided in the Law on Companies;

4.3.7. other non-property rights prescribed by these Articles of Association and the laws of the Republic of Lithuania.

4.4. A right to vote at general meetings of shareholders may be prohibited or restricted in cases provided for in the Law on Companies and other laws and in case of a dispute regarding the ownership right to the share.

4.5. Each share of the Company shall grant one vote at the general meeting of shareholders. The right to vote at the general meetings of shareholders convened after the expiry of the time limit for payment for the first issue of shares shall be granted only by fully paid shares.

4.6. The shareholders may have other rights that are not listed in the Articles of Association if they are prescribed by the laws of the Republic of Lithuania.

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

5.1. The following are the corporate bodies of the Company:

5.1.1. the general meeting of shareholders;

5.1.2. the Board;

5.1.3. the Manager of the Company (a single person corporate body).

5.2. The Company shall have no Supervisory Board.

5.3. The corporate bodies of the Company must act only for the benefit of the Company and its shareholders and observe the laws and other legal acts of the Republic of Lithuania and these Articles of Association.

**Powers of the general meeting of shareholders:**

5.4. The general meeting of shareholders shall have the exclusive right to:

5.4.1. to amend the Articles of Association of the Company except where otherwise provided by the Law on Companies;

5.4.2. to change the registered office of the Company;

5.4.3. to select and recall the firm of auditors to perform the audit of the set of annual financial statements of the Company, to set the conditions for auditor remuneration;

5.4.4. to elect and recall the members of the Board;

5.4.5. to determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;

5.4.6. to take a decision regarding conversion of shares of one class into shares of another class, to approve share conversion procedure;

5.4.7. to approve a set of annual financial statements;

5.4.8. to take a decision on appropriation of the profit (loss);

5.4.9. to take a decision on building up, drawing on, reduction or liquidation of the reserves;

5.4.10. to approve a set of interim financial statements prepared in order to take a decision regarding paying of dividends for a period less than a financial year;

5.4.11. to take a decision regarding paying of dividends for a period less than a financial year;

5.4.12. to take a decision to issue convertible debentures;

5.4.13. to take a decision to withdraw for all shareholders the right of pre-emption in acquiring the shares or convertible debentures of a specific issue of the Company;

5.4.14. to take a decision to increase the authorized capital;

5.4.15. to take a decision to reduce the authorized capital except where otherwise provided for by the Law on Companies;

5.4.16. to take a decision for the Company to purchase its own shares;

5.4.17. to take a decision on reorganization or division of the Company and approve the terms of reorganization or division except where otherwise provided for by the Law on Companies;

5.4.18. to take a decision to transform the Company;

5.4.19. to take a decision to perform restructuring of the Company;

5.4.20. to take a decision to liquidate the Company, cancel the liquidation of the Company except where otherwise provided for by the Law on Companies;

5.4.21. to elect and remove the liquidator of the Company except where otherwise provided for by the Law on Companies.

5.5. The general meeting of shareholders has no right to assign to other corporate bodies to solve issues that are within the powers of the general meeting of shareholders.

**Convening the general meeting of shareholders:**

5.6. The right to initiate convocation of a general meeting of shareholders is vested in the Board and the shareholders who have at least 1/10 of all votes. The initiators of a general meeting of shareholders shall submit a request to the Board in which they must state the reasons for and purpose of convening the general meeting of shareholders and submit proposals regarding the agenda, date and venue of the meeting and drafts of the proposed decisions. The general meeting of shareholders must be held within 30 days after the date of receiving the request. It is not mandatory to convene a general meeting of shareholders if the request does not comply with all the requirements set forth in this article and the required documents have not been submitted or the issues proposed for the agenda are not within the scope of powers of the general meeting of shareholders. If a general meeting of shareholders is not held, a repeat general meeting of shareholders must be convened.

5.7. An annual general meeting of shareholders must be convened and organised by the Board of the Company every calendar year within four months after the end of the financial year under the procedure set by the Law on Companies.

5.8. An extraordinary general meeting of shareholders must be convened if:



- 5.8.1. the equity of the Company falls below  $\frac{1}{2}$  of the authorized capital specified in the Articles of Association and the issue has not been discussed at the annual general meeting of shareholders;
- 5.8.2. the number of the Board members becomes less than  $\frac{2}{3}$  of the number of the Board members specified in the Articles of Association or the number of the Board members becomes less than the minimum number set in the Law on Companies;
- 5.8.3. the audit firm terminates its contract with the Company or is for any other reasons unable to audit the set of annual financial statements of the Company;
- 5.8.4. the convening of an extraordinary general meeting of shareholders is requested by the shareholders having the right to initiate convocation of a general meeting of shareholders or by the Board of the Company;
- 5.8.5. it is required by the other laws or the Articles of Association of the Company.

5.9. A general meeting of shareholders may be convened by order of a court if:

- 5.9.1. an annual general meeting of shareholders has not been convened within 4 months after the end of the financial year and at least one shareholder of the Company has brought the matter to court;
- 5.9.2. the persons having the right to initiate convocation of a general meeting of shareholders address the court regarding the failure of the Board or the Manager of the Company to convene a general meeting of shareholders as required by the Law on Companies;
- 5.9.3. the persons who initiated the convocation of a general meeting of shareholders address the court stating that the Board or the Manager have not convened a general meeting of shareholders after the submission of a request as it is required under Article 23 of the Law on Companies;
- 5.9.4. at least one of the Company's creditors addresses the court regarding the failure to convene a general meeting of shareholders when it was discovered that the Company's equity fell below  $\frac{1}{2}$  of the authorized capital amount specified in the Articles of Association.

5.10. The agenda of the general meeting of shareholders is to be drawn up by the Board of the Company or, in the cases specified in paragraph 3 of Article 23 of the Law on Companies, by the Manager of the Company. When the general meeting of shareholders is convened by a court order, the agenda is to be drawn up and submitted to the court together with other prescribed documents by the person or persons who addressed the court requesting that the general meeting of shareholders be convened.

5.11. The items proposed by the initiators of the general meeting of shareholders must be put on the agenda of the meeting provided that these issues are within the powers of the general meeting of shareholders. The agenda of the general meeting of shareholders may be supplemented by the Board or by a proposal of shareholders who hold shares which carry at least  $\frac{1}{20}$  of all votes. A proposal to supplement the agenda may be submitted in writing or by electronic means of communication no later than 14 days before the general meeting of shareholders. Draft decisions on the proposed issues must be submitted together with the proposal. The persons referred to in this article may at any time before the general meeting of shareholders or during the meeting propose new draft decisions on items put on the agenda, nominate additional candidates to members of Company bodies, or propose an audit firm in writing or by electronic means of communication.

5.12. The shareholders must be notified about the supplementations of the agenda of the general meeting of shareholders in the same manner in which they were given notice of the general meeting of shareholders not later than 10 days before the general meeting of shareholders. Only the agenda of a general meeting of shareholders that was not held is valid at a repeat general meeting of shareholders.

5.13. The Board of the Company, the Manager, or the persons or authority that adopted the decision to convene the general meeting of shareholders must present to the Company the information and documents required to draw up a notice of the convocation of the general meeting of shareholders.

5.14. The notice of the general meeting of shareholders must include all the information required by the Law on Companies. A notice of the convening of the general meeting of shareholders of the Company must be published in the Republic of Lithuania and all other EU member states as well as countries of the European Economic Area not later than 21 days before the general meeting of shareholders according to the procedure laid down in the Law on Securities.

5.15. A repeat general meeting of shareholders must be convened no earlier than 5 days after and no later than within 21 day after the day of the general meeting of shareholders that was not held. The general meeting of shareholders may be convened in derogation of the time limits set subject to the written consent of all the shareholders who hold shares conferring voting rights. The documents confirming that the shareholders have been given notice of the general meeting of shareholders must be announced when opening the meeting.

**Quorum of the general meeting of shareholders and adoption of decisions:**

5.16. A general meeting of shareholders may take decisions and will be held valid if attended by shareholders who hold shares carrying not less than  $\frac{1}{2}$  of all votes. After the presence of a quorum has been established, the quorum remains continuously throughout the meeting. For the purpose of establishing the total number of votes carried by the shares of the Company and the quorum of the general meeting of shareholders, the shares with voting rights prohibited by the law or a court decision and own shares purchased by the Company are considered non-voting shares. If a quorum is not present, the general meeting of shareholders must be considered invalid and a repeat general meeting of shareholders that is authorized to take decisions only on the issues on the agenda of the meeting that has not been held and to which the quorum requirements do not apply must be convened.

5.17. Every general meeting of shareholders must elect a chairman and a secretary of the meeting. The election of a secretary may be dispensed with if the general meeting of shareholders is attended by less than three shareholders. The chairman and the secretary shall not be elected if all shareholders attending the meeting took a written vote.

5.18. A shareholder with a right to vote, after getting familiar with the agenda and draft decisions, may notify the general meeting of shareholders in advance in writing (by filling in a general ballot paper) of whether he votes "in favour of" or "against" each individual decision. The Company must, in accordance with the Law on Companies, prepare general ballot papers for voting prior to the meeting. The duly completed general ballot paper can be submitted to the Company by electronic means of communication if the security of the information transmitted is ensured and the identity of the shareholder may be established. The shareholders who take a written vote in advance must be included for counting the quorum of the meeting and voting results. The general ballot papers of the meetings that have not taken place are valid at repeat meetings. A shareholder is not entitled to vote at a general meeting of shareholders for a decision about which he has already expressed his will in advance in writing.

5.19. If in the cases specified by the Law on Companies a shareholder is not entitled to vote when taking decisions on separate issues, the results of the voting on these separate issues must be determined according to the number of votes of the shareholders who are present at the meeting and are entitled to vote on the issue.

5.20. Voting at a general meeting of shareholders is to be decided by show of hands. Secret voting is mandatory for all shareholders on the issues on which at least one shareholder requests a secret vote be taken if he is supported by shareholders whose shares carry at least  $\frac{1}{10}$  of the votes at the general meeting of shareholders.

5.21. The general meeting of shareholders is not entitled to take decisions on issues that are not on the agenda, except when the meeting is attended by all shareholders who own shares conferring voting rights and no shareholder voted in writing.

5.22. The general meeting of shareholders shall take the following decisions by a qualified majority vote that shall be not less than  $\frac{2}{3}$  of all the votes carried by the shares held by the shareholders attending the meeting:

5.22.1. to amend the Articles of Association of the Company, unless otherwise provided for by the Law on Companies;

5.22.2. to determine the class, number, nominal value, and minimum issue price of shares issued by the Company;

5.22.3. to convert the Company's shares of one class into shares of another class and approve the share conversion procedure;

5.22.4. on the appropriation of profit/loss;

5.22.5. on building up, drawing on, reducing, or liquidating reserves;

- 5.22.6. on paying dividends for the period less than a financial year;
- 5.22.7. to issue convertible debentures;
- 5.22.8. to increase the authorized capital;
- 5.22.9. to reduce the authorized capital except when the Law on Companies provides otherwise;
- 5.22.10. on reorganization or division of the Company and approving the terms of reorganization or division;
- 5.22.11. on transformation of the Company;
- 5.22.12. on restructuring of the Company;
- 5.22.13. on liquidation of the Company or cancellation of Company's liquidation except when otherwise provided by the Law on Companies.

5.23. The decision to withdraw for all shareholders the pre-emption right to acquire the Company's newly issued shares or convertible debentures of a specific issue requires a qualified majority vote that is not less than  $\frac{3}{4}$  of all votes conferred by the shares of the shareholders present at the general meeting of shareholders and entitled to vote on the issue.

### **The Board**

5.24. The Board is a collegial management body of the Company. The Board shall consist of 4 (four) members elected for a term of 4 (four) years by the general meeting of shareholders in accordance with the procedure provided for by the Law on Companies. Only a natural person may be elected to serve on the Board. There is no limitation on the number of terms of office a member of the Board may serve. The Board shall elect its chairman from among its members.

5.25. The general meeting of shareholders may remove from office the entire Board or its individual members before the expiry of their term of office. A member of the Board may resign from office prior to the expiry of his term of office by giving a written notice thereof to the Company at least 14 (fourteen) days in advance.

5.26. Bonuses may be paid to members of the Board for their work on the Board according to the procedure established in the Law on Companies.

5.27. The Board shall consider and approve:

- 5.27.1. the operating strategy of the Company;
- 5.27.2. the annual report of the Company;
- 5.27.3. the interim report of the Company;
- 5.27.4. the management structure of the Company and the positions of employees;
- 5.27.5. the positions to which employees are recruited by holding competitions;
- 5.27.6. regulations of branches and representative offices of the Company.

5.28. The Board shall elect and remove from office the Manager of the Company, fix his salary and set other terms of his employment contract, approve his job description, provide incentives for him, and impose penalties on him.

5.29. The Board shall determine information which will be considered the Company's commercial (industrial) secret and confidential information.

5.30. The Board shall make the following decisions:

- 5.30.1. decisions for the Company to become an incorporator or a member of other legal entities as well as decisions to transfer to other persons or encumber the shares (interest, member shares) held by the Company or the rights granted by them;
- 5.30.2. decisions to open branches and representative offices of the Company;
- 5.30.3. decisions to invest, dispose of, or lease long-term assets that have a book value exceeding 1/20 of the authorized capital of the Company (calculated individually for every type of transaction);
- 5.30.4. decisions to pledge or mortgage long-term assets that have a book value exceeding 1/20 of the authorized capital of the Company (calculated for the total amount of the transactions);
- 5.30.5. decisions to offer surety or guarantee for obligations of third parties for an amount exceeding 1/20 of the authorized capital of the Company;
- 5.30.6. decisions to acquire long-term assets that cost more than 1/20 of the authorized capital of the

Company;

5.30.7. decision to restructure the Company in the cases laid down in the Law on Restructuring of Enterprises;

5.30.8. decisions for the Company to engage in new business activities or to discontinue any specific activity currently performed;

5.30.9. decisions to approve participation in and/or conclusion of settlement agreements in legal proceedings where the amount of claims made against or by the Company exceeds 1/5 of the authorized capital of the Company;

5.30.10. decisions to issue debentures of the Company or other forms of borrowing from any natural or legal persons (regardless of the amount);

5.30.11. other decisions within the powers of the Board as prescribed by legal acts, the Articles of Association of the Company or the decisions of the general meeting of shareholders.

5.31. The Board is entitled to make decisions specified in Article 5.30 without the approval of the general meeting of shareholders of the Company.

5.32. Before adopting a decision to invest funds or other assets into another legal entity, the Board must notify thereof the creditors with which the Company failed to settle accounts within the prescribed time limit, if the aggregate debt to these creditors exceeds 1/20 of the authorized capital of the Company.

5.33. The Board shall analyse and evaluate documents submitted by the Manager of the Company on:

5.33.1. the implementation of the operating strategy of the Company;

5.33.2. the organization of the activities of the Company;

5.33.3. the financial condition of the Company;

5.33.4. the results of business activities, income and expenditure estimates, stocktaking data, and other accounting data of changes in the assets.

5.34. The Board shall analyse and assess the set of annual financial statements of the Company and a draft of its profit/loss appropriation statement and together with the annual report of the Company shall submit them to the general meeting of shareholders. The Board shall determine the methods used by the Company to calculate the depreciation of tangible assets and the amortization of intangible assets.

5.35. The Board shall analyse and evaluate the draft of the decision on dividends for a period shorter than a financial year, the set of interim financial statements drawn up for this purpose, which together with the Company's interim report shall be submitted by it to the general meeting of shareholders.

5.36. It is the duty of the Board to convene and organize general meetings of shareholders in due time.

5.37. The procedure for the work of the Board is set in the rules of procedure of the Board adopted by the Board.

5.38. Every member of the Board has the right to initiate convocation of a Board meeting. The Board may adopt decisions and a meeting of the Board is deemed to have taken place when the Board meeting is attended by 2/3 of the members of the Board. Members of the Board who vote in advance are also deemed to be present at a meeting.

5.39. A decision of the Board is considered to be adopted if there are more votes "in favour of" the decision than "against" it.

5.40. A member of the Board is not be entitled to vote when the meeting of the Board discusses the issue related to his work on the Board or the issue of his responsibility/liability.

5.41. Minutes must be taken of the meetings of the Board.

### **Manager of the Company**

5.42. The Manager of the company is a single-person managing body of the Company. The title of the Manager of the Company is General Manager (generalinis direktorius). The Manager of the Company must be a natural person. A person may not be the Manager of the Company if legally he is not entitled to

hold this position. In his activities, the Manager of the Company must comply with laws and other legal acts, the Articles of Association of the Company, decisions of the general meeting of shareholders, and his job description.

5.43. The Manager of the Company shall be elected and removed from office by the Board of the Company which shall also fix his salary, approve his job description, provide incentives and impose penalties. The Manager of the Company shall commence in his office after his election. The employment contract with the Manager of the Company shall be concluded and signed by the chairman of the Board or another person authorized by the Board on behalf of the Company. If the body which elected the Manager of the Company takes the decision to remove him from office, his employment contract shall be terminated. Labour disputes between the Manager of the Company and the Company are to be settled in court. The person authorised by the body of the Company that elected the Manager for the Company or removed the Manager from office must, within 5 days, notify the administrator of the Register of Legal Entities of the election or removal from office of the Manager of the Company or of the expiry of his contract for any other reasons.

5.44. The Manager of the Company shall be responsible for:

5.44.1. organization of activities and the implementation of the goals of the Company;

5.44.2. preparation of the set of annual financial statements and the drafting of the annual report of the Company;

5.44.3. preparation of the draft decision to distribute dividends for the period shorter than a financial year, preparation of the set of interim financial statements and the interim report of the Company for the purpose of the above-mentioned decision to distribute dividends for the period shorter than a financial year. The provisions of the Law on Financial Statements of Companies related to preparation and announcement of the annual report shall be *mutatis mutandis* applied to preparation of the interim report.

5.44.4. conclusion of the contract with the firm of auditors;

5.44.5. submission of information and documents to the general meeting of shareholders and the Board in cases laid down in the Law on Companies;

5.44.6. submission of documents and data of the Company to the administrator of the Register of Legal Entities;

5.44.7. submission of the documents of the Company to the Bank of Lithuania and the Central Securities Depository of Lithuania;

5.44.8. public announcement of the information specified in the Law on Companies in the electronic publication published by the administrator of the Register of Legal Entities for announcement of public notices of legal entities or in the daily *Lietuvos Rytas*;

5.44.9. submission of information to shareholders;

5.44.10. the fulfilment of other duties laid down in the Law on Companies and other legal acts as well as in the Articles of Association of the Company and the job description of the Manager of the Company.

5.45. In his activities, the Manager of the Company shall comply with laws and other legal acts, the Articles of Association of the Company, decisions of the general meeting of shareholders and his job description.

5.46. The Manager of the Company shall act on behalf of the Company and shall be entitled to conduct transactions solely.

5.47. The Manager of the Company shall be entitled, within the limits of his powers, to issue procuracies by executing them in accordance with the procedure prescribed by the legal acts of the Republic of Lithuania.

## **6. NOTIFICATION PROCEDURE OF THE COMPANY**

6.1. Notices are given in the cases specified in the Law on Companies and other laws of the Republic of Lithuania according to the procedure established in laws and in these Articles of Association.

6.2. All notices to be given according to the Law on Companies and other laws must be published in the electronic publication published by the administrator of the Register of Legal Entities for announcement of public notices of legal entities or in the daily *Lietuvos Rytas*.

6.3. Decisions of the general meeting of shareholders and other notices that must to be delivered to the Board and the employees of the Company must be sent by registered post, fax, telex, courier or delivered against acknowledgement of receipt.

## **7. DECISION-MAKING PROCEDURE REGARDING ESTABLISHMENT AND TERMINATION OF THE ACTIVITIES OF THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND APPOINTMENT AND REMOVAL OF THE HEADS OF THE COMPANY BRANCHES AND REPRESENTATIVE OFFICES**

7.1. The Company may establish and liquidate its branches and representative offices in the Republic of Lithuania and abroad pursuant to the procedures provided in the laws of the Republic of Lithuania. The Company is liable for the obligations of its branch or representative office to the extent of all its assets. The number of branches and representative offices shall not be limited.

7.2. Decisions regarding the establishment or termination of the activities of the Company's branches and representative offices shall be made by the Board of the Company. The Board shall also appoint and remove managers of the branches and representative offices.

7.3. A branch or a representative office shall operate pursuant to the regulations of the branch or the representative office approved by the Board of the Company.

7.4. Having made a decision to terminate the activities of a branch or representative office, the Board of the Company shall appoint a person who shall be responsible for carrying out termination procedures.

## **8. PROCEDURE FOR PROVISION OF COMPANY'S DOCUMENTS AND INFORMATION TO SHAREHOLDERS**

8.1. At a shareholder's written request, the Company must no later within 7 days from the receipt of the request grant him access to information and/or submit to him copies of the following documents: the Articles of Association of the Company; sets of annual and interim financial statements; the annual and interim reports of the Company; the auditor's reports and reports on audit; the minutes of the general meetings of shareholders and other documents recording decisions of the general meeting of shareholders; the list of shareholders, the list of Board members, other Company documents that must be publicly accessible according to laws, and the minutes of Board meetings or other documents recording decisions of the aforementioned Company bodies, unless the said documents contain a commercial/industrial secret and confidential information.

8.2. A shareholder or a group of shareholders who hold or control more than 1/2 of the shares has the right of access to all Company's documents upon giving the Company a written pledge in a form prescribed by the Company not to disclose any commercial/industrial secret and confidential information. The Company may refuse to give a shareholder access and/or to provide copies of the documents to him if there is no possibility to identify the shareholder who requested information. At the shareholders' request, the Company's refusal to submit the documents must be executed in writing. Disputes relating to the shareholder's right to information are to be settled in court. Information that is considered the Company's commercial/industrial secret is identified by the Board (except for the public information specified by the laws of the Republic of Lithuania).

8.3. The Company's documents, their copies or other information must be furnished to the shareholders free of charge.

8.4. The list of shareholders of the Company presented to the shareholders must provide the full names of the shareholders, the names of legal persons, the number of registered shares owned by the shareholders, and the shareholders' addresses for correspondence according to the most recent data available to the Company.

## **9. PROCEDURE FOR AMENDING THE ARTICLES OF ASSOCIATION OF THE COMPANY**

9.1. The Articles of Association shall be amended in accordance with the procedure provided for by the Law on Companies and the Articles of Association of the Company. The Articles of Association of the

Company may be amended only by the decision of the general meeting of shareholders, except for the cases when there is an effective court order to reduce the Company's authorized capital or when the right to take the decisions regarding amendments to the Company's Articles of Association has been granted to other entities under the Law on Companies and other laws. The decision regarding amendments to the Articles of Association of the Company shall be taken in the general meeting of shareholders by at least 2/3 of all votes conferred by the shares of the shareholders present at the general meeting of shareholders.

9.2. Following the decision taken by the general meeting of shareholders to amend the Articles of Association of the Company, the full text of the amended Articles of Association shall be drawn up and signed by the person authorized by the general meeting of shareholders. In case of the court order to reduce the authorized capital of the Company and provided that such court order has become effective the amended Articles of Association shall be signed by the Manager of the Company.

9.3. The amended Articles of Association shall become effective and may be used as the basis following registration of the amended Articles of Association with the Register of Legal Entities of the Republic of Lithuania.

**The Articles of Association are signed in Vilnius on \_\_\_\_\_ 2015.**

Person authorised by the general meeting of shareholders:

AB City Service

General Manager

Jonas Janukėnas