

**STATUTE
OF AB “KAUNO ENERGIJA”**

I. GENERAL PROVISIONS

1. Public Limited Liability Company “KAUNO ENERGIJA” (hereinafter referred to as the “Company”) is an enterprise, which divided the authorized capital into parts, referred to as the shares. The Company carries on its activities pursuant to the Civil Code of the Republic of Lithuania, the Law on Companies, other legal acts of the Republic of Lithuania and this Statute as well.

2. The Company is a private legal person with limited civil liability that has economic, financial, organizational and legal independence, bank accounts and independent Balance Sheet. Shareholders are responsible for Company’s liabilities with the sum that must pay for shares.

3. Company’s legal form is public limited liability company. Abbreviation of Company’s title is AB „Kauno energija“. The Company owns the trademark registered by the determined order in the State Patent Bureau of the Republic of Lithuania.



The Company has its’ own impress with an inscription: “Lietuvos Respublika. Akcinė bendrovė “Kauno energija” and Company’s trademark in the centre.

4. The Company shall have or obtain any civil rights and liabilities except of those, for start-up of which the features of natural person such as gender, age relationship are necessary. Company’s suability shall not be restricted in any other way, than by the essentials and order determined by the legislation of the Republic of Lithuania. The Company can restrict its’ suability only by the decision of the court.

5. The Company's fiscal year shall be the calendar year.

6. The Company has been established for an indefinite term of duration.

7. Company’s name and legal form according to registration certificate, residence address, Company’s code, register of legal entities that gathers and stores Company’s information, VAT payer code, the word “liquidated” previous to its’ name if the Company is liquidated, are indicated



in Company's website and documents that are used if the relationship with other subjects is present. When Company mentions its' capital in Company's documents, the amount of authorised capital and the amount of paid authorised capital shall be indicated.

8. Company's legal form, residence, register of legal entities that gathers and stores information on legal person, Company's code and address of the Branch (Representative office), contact information, code of the Branch and other necessary information, are indicated in Company's documents.

II. AIMS AND SUBJECT OF ACTIVITY OF THE COMPANY

9. The main Aims of Activity of the Company are as follows:

- 9.1. Strive for profit;
- 9.2. Rational usage of Company's funds, assets and other resources;
- 9.3. Assurance of proprietary interests of the Shareholders.

10. Subject of Activity of the Company is heat production, heat supplies to consumers according to heat purchase agreements, supplies of hot water, as well as production of electricity and maintenance (operation) of buildings heating and hot water systems.

11. The main kinds of Company's commercial-economic activity:

- 11.1. Production of electricity (35.11);
- 11.2. Heat supplies and air conditioning (35.30);
- 11.3. Activity of collection agencies and credit bureaus (82.91).

12. The Company can be engaged in any legal economical and commercial activity unless it contradicts laws of the Republic of Lithuania and other legal acts. The Company upon obtaining the required licenses or permits may only carry out activities that are subject to licensing or any specifically regulated other activity.

III. AUTHORIZED CAPITAL OF THE COMPANY

13. The authorized capital of the Company consists of:

- 13.1. Amount of paid authorized capital;
- 13.2. Share premium account (excess of shares par value);
- 13.3. Revaluation reserve;
- 13.4. Legal reserve;
- 13.5. Reserve for procurement of own shares;
- 13.6. Other reserves;



13.7. Result – profit (loss) brought forward.

14. The authorized capital of the Company consists of 74,475,728.82 (seventy four million four hundred seventy five thousand and seven hundred twenty eight euros and eighty-two cents) euro.

15. If the equity capital of the Company becomes smaller than ½ of the amount of Authorized capital specified in Company's Statute, Company's Board must convoke General Meeting of Shareholders. It must consider the issues regarding decisions indicated in Item 2 of Chapter 10 and in Chapter 11 of Article 59 of the Law on Companies of the Republic of Lithuania within 3 months from the day when the Board got to know emerged situation or must know. Emerged situation in Company must revise within 6 months from the day when it the Board got to know or must know this situation.

16. The Authorized capital of the Company shall be increased by the order scheduled in Articles 49, 50, 51 and 57 of the Law on Companies of the Republic of Lithuania by issuing new shares or by increasing of par value of already issued shares and changing Statute respectively. The Authorized capital of the Company shall be increased by the decision of General Meeting of Shareholders, which shall be taken by the majority not less than 2/3 of the votes.

17. The Authorized capital is being considered as increased just after registration of changed Company's Statute in the Register of Legal Entities. When the Authorized capital is being increased from Company's funds, new shares are fixated by entries in personal securities accounts or par value of the shares is increased. This information shall be provided for the Shareholders by the Company's Board in electronic publication "Juridinių asmenų vieši pranešimai" ("Public Announcements of Legal entities", hereinafter referred to as the "Public Announcements of Legal entities") published by the State Enterprise Centre of Registers.

18. The Authorized capital of the Company shall be decreased by the order scheduled in Articles 52 and 53 of the Law on Companies of the Republic of Lithuania. The Authorized capital of the Company shall be decreased by the decision of General Meeting of Shareholders, which shall be taken by the majority not less than 2/3 of the votes or by decision of the court in cases specified by the Law on Companies of the Republic of Lithuania.

19. The Authorized capital is being considered as decreased just after registration of changed Company's Statute in the Register of Legal Entities. After registration of changed Statute in the Register of Legal Entities, the Company must provide required documents to the Bank of Lithuania, stock exchange NASDAQ OMX Vilnius, AB „Lietuvos centrinis vertybinių popierių depozitoriumas“ (AB "Lithuanian Central Securities Depository") in 1 day. If the changes in



Company's Statute regarding decrease of authorized capital are not being registered by the determinate order, the authorized capital is being considered as not decreased.

IV. NUMBER OF THE SHARES ACCORDING TO THEIR CLASS, THEIR PAR VALUE AND CONCEDED RIGHTS

20. The authorized capital of the Company is divided into 42,802,143 (forty two million eight hundred two thousand and one hundred forty three) Ordinary Registered Shares. The par value of the share is 1.74 (one euro and 74 cents) euro. All the shares of the Company are of the same class. Company's shares are uncertificated.

21. Shares are securities, endorsing the right of their holders to take part in Company's management if the legislation of the Republic of Lithuania does not determine anything else, the right to obtain dividends, the right to the part of Company's assets remaining after liquidation and other rights determined by the legislation of the Republic of Lithuania. Uncertificated shares of the Company are fixated with the entries in personal securities accounts of shareholders. Personal securities accounts of Company's shareholders are being kept meeting the requirements, set in the regulatory enactments of the Republic of Lithuania regulating the accounting of securities. The account administrator, who has opened the securities account of the shareholder, must give an extract from his/her securities account on application of shareholder, which is an evidence of proprietary rights for the shares. The number of shares and other information on the shares that are entered in account, defined in the regulatory enactments must be specified in the extract. The share is not divided into parts. If few owners are holding one share, all of its owners are being considered as one shareholder. One of the owners has the use of the rights conceded by the shares under agreement approved by notary. Owners are solidary for the liabilities of shareholders.

22. Only fully paid ordinary registered shares shall entitle their holders to vote at the General Meeting of Shareholders. Each Ordinary Registered Share shall entitle its owner to one vote at the General Meeting of Shareholders.

23. The rights of Company's shareholders are determined by the Law on Companies of the Republic of Lithuania and the rest of legislation of the Republic of Lithuania.

24. Shareholders have no other proprietary liabilities to the Company, except the liability to pay in the specified order for all of the signed shares at the price of emission.

V. COMPANY'S BODIES

25. Company's bodies are as follows:



- 25.1. General Meeting of Shareholders;
- 25.2. Collegial supervisory body – the Supervisory Board;
- 25.3. Collegial management body – the Board;
- 25.4. Sole management body – General Manager.

26. Company's management bodies must act in favour of the Company and its' shareholders, and follow the laws and other legislation of the Republic of Lithuania, and follow Company's Statute.

27. Each candidate to the position of Company's General Manager or to the members of the Board or Supervisory Board must inform the body, which he/she is elected by on the subject of his/her current positions, on the relationship of his/her current activity to the Company and other legal entities, related to the Company.

VI. COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS AND THE ORDER OF ITS CONVOCATION

28. The General Meeting of Shareholders is the supreme body of the Company. The General Meeting of Shareholders shall not have the right to assign other Company's management bodies to deal with the issues assigned to its' competence.

29. The persons who were Company's shareholders as at the end of the date of record of the General Meeting of Shareholders shall have the right to participate and vote in the General Meeting of Shareholders or in the repeated General Meeting of Shareholders. They can do it personally, with an exceptions determined by the law, or through persons authorized by them, or persons with whom an agreement of transfer of voting rights is concluded. The date of record of Company's meeting shall be the 5th (fifth) business day prior to the General Meeting of Shareholders or the repeated General Meeting of Shareholders.

30. Members of the Board or the Supervisory Board, or General Manager of the Company, or auditor who prepared conclusion and report shall have the right to take part and to speak in the General meeting of Shareholders.

31. The initiative right to convene the General Meeting of Shareholders shall be vested in the Company's Supervisory Board, Company's Board and the Company's Shareholders representing at least 1/10 (one tenth) of all the voting rights. The General Meeting of Shareholders is convoked by the decision of the Board or in cases, determined by Chapter 3 of the Article 23 of the Law on Companies of the Republic of Lithuania – by the decision of General Manager, except cases, determined by the Law on Companies of the Republic of Lithuania. In case the Board or the head of



the Company, in cases, determined by Chapter 3 of the Article 23 of the Law on Companies of the Republic of Lithuania, fails to adopt the decision on convocation of the General Meeting of Shareholders within the period of 10 days starting from the date of receipt of the application from the initiators of General Meeting of Shareholders, the General Meeting of Shareholders can be convened by the decision by the shareholders, possessing more than ½ of the whole of the votes.

32. The General Meeting of Shareholders shall be convoked and the information on its convocation must be provided following the terms and order, determined by the Law on Companies of the Republic of Lithuania. The shareholders shall be informed on convocation of the General Meeting of Shareholders following the order, determined in Article XI of Company's Statute.

33. The General Meeting of Shareholders may adopt decisions and hold as fait accompli in case the attending of Shareholders who have more than ½ of all votes. In case the quorum is established, it is held to be established for the time of the entire meeting. In case of absence of quorum the General Meeting of Shareholders shall not be held as fait accompli, a repeated General Meeting of Shareholders may be convoked, and it shall have the right just to adopt decisions just under agenda of the meeting that was not held and for which the requirement of quorum shall not be applied. The repeated General Meeting of Shareholders shall be convoked no earlier, than after 5 days but not later than 21 day from the day of the General Meeting of Shareholders that was not held.

34. Competency of the General Meeting of Shareholders has no difference with that, determined in the Law on Companies of the Republic of Lithuania, so it is not determined in this Statute.

35. The shareholders who participate in the General Meeting of Shareholders shall be registered in the list of registration of shareholders, which shall be signed by the chairperson of the General Meeting of Shareholders and secretary. If the secretary is not elected, the chairperson of the General Meeting of Shareholders shall sign this list. If all of the shareholders who took part in the General Meeting of Shareholders placed their votes in written, the head of the Company shall sign this list.

36. The shareholder or the person authorized by him, using his right of voting in written and after acquaintance with agenda and draft decisions, shall fill and submit to the Company a general voting ballot. He provides the information regarding his will "for" or "against" concerning every separate decision to the General Meeting of Shareholders in it. The Company's shareholder or another person, entitled to vote with the shares held by this shareholder, shall sign filled general ballot. If the person signs the general ballot, who is not a Company's shareholder, a document proving the voting right must be enclosed to the filled general voting ballot.



37. Shareholders who placed their votes in written beforehand shall be considered as participating in the General Meeting of Shareholders and their votes shall be encountered into quorum of the General Meeting of Shareholders and into voting results. General voting ballots of the General Meeting of Shareholders that was not held shall be valid for the repeated General Meeting of Shareholders. The shareholder shall not be able to vote in the General Meeting of Shareholders on the decision regarding which he expressed his will in written beforehand.

38. Voting in the General Meeting of Shareholders shall be open. Secret voting shall be mandatory to all of the shareholders on the issues regarding whose the secret voting request is expressed although by one shareholder, and approved by shareholders who have not less than 1/10 of votes granted by the shares they own in this General Meeting of Shareholders.

39. The decision of the General Meeting of Shareholders shall be considered as adopted when more votes “for” than “against” are received, except voting on issues determined by the Law on Companies and for which the qualified majority of shareholders participating in General Meeting of Shareholders shall be required.

VII. THE SUPERVISORY BOARD

40. The Supervisory Board is the collegial body, performing supervision of Company’s activity and it is managed by its’ chairperson. The General Meeting of Shareholders shall elect the Supervisory Board from 7 members for the period of 4 years. The Supervisory Board performs its’ functions for 4 years or until the new Supervisory Board is elected, but not longer than the General Meeting of Shareholders in the year of the end of term of office of Supervisory Board shall be held. Number of terms of office of the members of Supervisory Board shall not be limited. Chairperson of the Supervisory Board shall be elected from its’ members.

41. When members of the Supervisory Board are elected, each shareholder shall hold such number of votes that is equal to the number of his votes granted to him by his own shares, and of the product of number of members of the Supervisory Board. These votes shall be allocated at discretion of shareholder – for one or few candidates. Candidates who receive more votes shall be elected. If there are more candidates who received equal number of votes than vacant positions in the Supervisory Board, the repeated voting shall be organized. Each shareholder shall be able to vote just for one candidate who received an equal number of votes in it.

42. Following persons shall not be able to be members of the Supervisory Board:

42.1. Member of Company’s Board;

42.2. Company’s General Manager;



42.3. Person who has no business to perform these functions under legislation of the Republic of Lithuania.

43. More than a half of members of the Supervisory Board shall not be in working relationship with the Company.

44. The Supervisory Board or its' members start performing their activity just after the end of the General Meeting of Shareholders, which elected them.

45. When the Statute of the Company are being changed due to the formation of the Supervisory Board or increasing the number of its' members, newly elected members of the Supervisory Board are able to start their activity just from the day of register of changed Statute. In this case making of the decision regarding changes of Statute and election of new members of the Supervisory Board can be done in the same General Meeting of Shareholders if it is anticipated in meeting agenda.

46. The General Meeting of Shareholders shall be able to recall entire Supervisory Board or its' individual members until the end of the term of office.

47. Member of the Supervisory Board shall be able to resign until the end of term of office giving in his written notice to the Company within 14 days until resignation.

48. If a member of the Supervisory Board is being recalled, resigns or quits performing his functions due to the other reasons and the shareholders who own not less than 1/10 of all votes granted by their own shares contradict election of individual members of Supervisory Board, the Supervisory Board loses its authority and the entire Supervisory Board must be elected. If the individual members of the Supervisory Board are being elected, they are elected just until the end of the term of office of the active Supervisory Board.

49. Annual payments can be paid to the members of Supervisory Board according to the order determined in Article 59 of the Law on Companies of the Republic of Lithuania.

50. The Supervisory Board:

50.1. Elects members of the Board and recalls them. If the Company works wastefully, the Supervisory Board must discuss suitability of performing functions of members of the Board;

50.2. Performs supervision of activity of the Board and Company's General Manager;

50.3. Offers suggestions and appreciations to the General Meeting of Shareholders regarding strategy of Company's activity, annual financial statements, project of allotment of profit (loss) and Company's annual report, as well as regarding activity of the Board and Company's General Manager;



50.4. Offers appreciations and decision suggestions regarding the project of allotment of dividends for the period shorter than financial year and interim financial statements made for its' acceptance and regarding interim report to the General Meeting of Shareholders;

50.5. Offers suggestions to the Board and to the head of the Company regarding withdrawal of their decisions that contradict the law and other legislation, Company's Statute and decisions of the General Meeting of Shareholders;

50.6. Resolves issues of supervision of Company's and its' management bodies activity, attributed by the decisions of General Meeting of Shareholders to the competence of Supervisory Board.

51. The Supervisory Board shall not have the right to assign or consign performance of its functions to the General Meeting of Shareholders, the Board or the head of the Company.

52. On request of the Supervisory Board Company's head and the Board must submit documents concerning Company's activity. Members of the Supervisory Board must keep commercial (production) secrets, confidential information, which became known to them as to the members of the Supervisory Board.

53. Working order of the Supervisory Board shall be determined by its' regulations, accepted by the Supervisory Board.

54. Chairperson of the Supervisory Board shall convene Sessions of the Supervisory Board. Sessions of the Supervisory Board can also be convened by the decision of not less than 1/3 of members of the Supervisory Board. Sessions of the Supervisory Board, their arrangement and the order of announcement shall be determined by the regulations of the Supervisory Board.

55. All of the members of Supervisory Board shall have equal rights. Each member of the Supervisory Board shall have one vote on voting procedure. Vote of the chairperson of the Supervisory Board shall be determinant if the number of votes "for" and "against" is equal.

56. Member of the Supervisory Board shall have the right to give ordinary written warrant to the other member of Supervisory Board who should represent him in voting procedure on the session of Supervisory Board. Member of the Supervisory Board can provide information on his will "for" or "against" voted decision after acquaintance with its' project by voting in written or using electronic means, if the safety of transferred information is secured and if the voting person can be identified.

57. The Supervisory Board can accept decisions and its' session shall be considered to be held when more than a half of members of the Supervisory Board takes part in it. Members of the Supervisory Board who placed their votes beforehand are considered as members who took part in the session. Decision of the Supervisory Board shall be accepted when more votes "for" than



“against” are received. Decision of recall of the member of Supervisory Board can be accepted if not less than 2/3 of members of the Supervisory Board taking part in the session have voted for it.

58. Sessions of the Supervisory Board must be protocolled.

VIII. THE BOARD

59. The Board is the collegial management body, managed by its' chairperson.

60. The Supervisory Board shall elect the Board from 7 members for the period of 4 years. Chairperson of the Board shall be elected from its' members. Number of terms of office of the members of Board shall not be limited.

61. The Board performs its' functions for 4 years or until the new Board is elected, but not longer than the General Meeting of Shareholders in the year of the end of term of office of Supervisory Board shall be held. If the individual members of the Board are elected, they are being elected just until the end of term of office of the active Board.

62. Only natural person can be elected as member of the Board. Persons who cannot be members of Company's Board:

62.1. Member of the Supervisory Board;

62.2. Person who has no right to perform these functions according to the law of the Republic of Lithuania.

63. The Board or its' members start performing their activity just after the end of the session, which elected them.

64. When the Statute of the Company are being changed due to the formation of the Board or increasing the number of its members, newly elected members of the Board are able to start their activity just from the day of register of changed Statute.

65. The Supervisory Board shall be able to recall entire Board or its' separate members until the end of the term of office.

66. Member of the Board shall be able to resign until the end of term of office giving in his written notice to the head of the Company and the Board no later than 14 days until resignation.

67. Annual payments can be paid to the members of Board according to the order determined in Article 59 of the Law on Companies of the Republic of Lithuania.

68. The Board considers and accepts:

68.1. the strategy of the Company;

68.2. the annual report of the Company;

68.3. the interim report of the Company;

68.4. framework of government of the Company and positions of the employees;



68.5. the positions to which employees shall be hired through a contest, and nominees to such positions;

68.6. regulations of branches and representative offices of the Company.

69. The Board shall elect and recall the head of the Company, set his/her remuneration and other conditions of the employment agreement, approve his/her office regulations, induce and apply penalties to him/her.

70. The Board shall set the information, which shall be considered as the commercial (industrial) secret and confidential information of the Company. Any information, which shall be public under laws of the Republic of Lithuania, may not be considered as commercial (industrial) secret and confidential information.

71. The Board shall accept:

71.1. Company's decisions to become founder or participant of other legal entities;

71.2. decisions to found the branches and representative offices of the Company and to terminate their activities;

71.3. decisions regarding investment, transfer or lease of long term assets carrying amount of which is worth more than 2,896,200.19 Euro (calculated separately in regard to each type of transaction);

71.4. decisions regarding mortgage and hypothec of long term assets carrying amount of which is worth more than 2,896,200.19 Euro (calculated general sum of transactions);

71.5. decisions on issuing of guarantees or on securing of implementation of obligations of other persons the sum of which is bigger than 2,896,200.19 Euro;

71.6. decisions on acquisition of long term assets for the price bigger than 2,896,200.19 Euro;

71.7. decisions on determination of prices of services and products or projects of prices of services and products of Company's main activity;

71.8. other decisions attributed to the competence of the Board by Company's Statute or decisions of the General Meeting of Shareholders.

72. Before acceptance of decisions, regarding transfer of long-term assets carrying amount of which is worth 2,896,200.19 Euro the Board must get approval of the General Meeting of Shareholders. The approval of the General Meeting of Shareholders does not repeal responsibility of the Board for the accepted decisions.

73. Before acceptance of decision regarding investment of funds or other assets into other legal person, the Board must inform creditors regarding that case with which the Company is not settled in determined term if the general sum of debt to these creditors is bigger than 2,896,200.19 Eur.



74. The Company performs functions of the shareholder in companies in which the Company owns entire shares and in which written decisions of the Company shall be equal to the decisions of the General Meeting of Shareholders.

75. The Board authorizes particular persons to represent the Company in other companies in which the Company is a shareholder or partner.

76. The Board analyses and estimates a material submitted by head of the Company regarding:

76.1. Implementation of strategy of Company's activity;

76.2. Organization of Company's activity;

76.3. Company's financial state;

76.4. Results of economic activity, estimates of income and expenditures, inventory and other information on accounts of assets changes.

77. The Board analyses and estimates annual financial statements, project of allotment of profit (loss) and submits them to the Supervisory Board and General Meeting of Shareholders along with appreciations and suggestions regarding them, and with annual report.

78. The Board analyses, estimates the project of decision on allotment of dividends for the period shorter than financial year and interim financial statements made for its' acceptance, and submits them along with appreciations and suggestions regarding them and with Company's interim report to the Supervisory Board and to the General Meeting of Shareholders.

79. Company's Board performs functions that are attributed to the competence of managing body according to the Law on Restructuring of Enterprises.

80. The Board must convoke and arrange General Meetings of Shareholders in time, make agendas of the General Meetings of Shareholders, submit required information for consideration of agenda's issues.

81. On request of the Supervisory Board, the Board must submit documents concerning Company's activity.

82. Members of the Board must keep commercial (production) secrets, confidential information, which became known to them as to the members of the Board.

83. Working order of the Board shall be determined by its' regulations, accepted by the Board.

84. Each member of the Board shall have the right of convocation of the session of the Board. Each member of the Board shall have one vote on voting procedure. Vote of the chairperson of the Board shall be determinant if the number of votes "for" and "against" is equal. Member of the Board shall have the right to give ordinary written warrant to the other member of the Board



who should represent him in voting procedure on the session of Supervisory Board. Member of the Board can provide information on his will “for” or “against” voted decision after acquaintance with its’ project by voting in written or using electronic means, if the safety of transferred information is secured and if the voting person can be identified.

85. The Board can accept decisions and its’ session shall be considered to be held when more than 2/3 of members of the Board takes part in it. Members of the Board who placed their votes beforehand are considered as members who took part in the session. Decision of the Board shall be accepted when more votes “for” than “against” are received. Member of the Board shall have no voting right when the issue concerning his / her activity in the Board or his / her responsibility is solved in the session of the Board. In case determined in Chapter 5 of the Article 2.87 of the Civil Code of the Republic of Lithuania the Board shall make a decision regarding suspension of member of the Board from voting on acceptance of decision on particular issue.

86. The Board shall invite the head of the Company into each session if he /she are not a member of the Board. The Board shall make possibilities to him / her to get acquainting with information on agenda’s issues.

87. Sessions of the Board must be protocolled.

IX. HEAD OF THE COMPANY

88. Head of the Company – General Manager – is a sole body of Company’s management who organizes Company’s activity. Capable natural person can be a General Manager of the Company and an employment agreement is concluded with him / her.

89. Head of the Company shall follow the law of the Republic of Lithuania, other legislation of the Republic of Lithuania, Company’s Statute, and decisions of General Meeting of Shareholders, decisions of the Supervisory Board and the Board, and the regulations of position in his / her activity. The Head of the Company shall organize the day-to-day operation of the Company, appoint and dismiss employees of the Company, sign, amend and terminate on behalf of the Company employment agreements with employees, induce and apply penalties to them.

90. The Board shall elect and dismiss, set remuneration, other terms of employment agreement, approve the office regulations, induce and apply penalties to the head of the Company. The head of the Company shall start performing his / her functions from the moment of election if the employment agreement does not determine otherwise.

91. The head of the Company shall have the right of resignation by submitting written resignation letter to the Company’s Board. The Board that elected the head of the Company must accept the decision on resignation of the head of the Company within 15 days from the receipt of



the letter of resignation. If the Board that elected the head of the Company does not accept the decision on recall of the head of the Company, his employment agreement shall terminate on the sixteenth day from the receipt of the letter of resignation.

92. The person authorized by Company's Board must inform the Register of Legal Entities on election, recall as well as on termination of employment agreement on other basis of the head of the Company no later than in 5 days. If Company's Board does not make a decision regarding recall of the head of the Company who submitted the letter of resignation, resigned head of the Company shall inform the Register of Legal Entities on termination of his / her employment agreement by submitting a documents proving submission of the letter of resignation to the Company's Board that elected him / her.

93. The head of the Company shall determine ratios of assets depreciation applied in Company.

94. The head of the Company shall act on behalf of the Company and shall have the right on autocratic conclusions of transactions. Transactions determined in items 3, 4, 5 and 6 of Chapter 4 of Article 34 of the Law on Companies of the Republic of Lithuania shall be concluded by the head of the Company just if the decisions of the Board regarding conclusion of these transactions are made.

95. Head of the Company must keep commercial (production) secrets, confidential information, which became known to him / her while performing his / her functions.

96. Head of the Company shall be responsible for:

96.1. Organization of Company's activity and implementation of Company's goals;

96.2. Composition of annual financial statements and preparation of Company's annual report;

96.3. Preparation of the project of decision on allotment of dividends for the period shorter than financial year, composition of interim financial statements, preparation of interim report in order of acceptance of the decision on allotment of dividends for the period shorter than financial year. Provisions of the Law on Financial Statements of Entities, regulating preparation and announcement of the annual report, shall be applied *mutatis mutandis* for the interim report;

96.4. Conclusion of agreement with auditor or audit company when audit is obligatory under the law or Company's Statute;

96.5. Submission of information and documents to the General Meeting of Shareholders, Supervisory Board and the Board in cases determined by the Law on Companies of the Republic of Lithuania and on their request;

96.6. Submission of Company's documents and information to the Register of Legal Entities;



96.7. Submission of Company's documents to the Bank of Lithuania and Central Securities Depository of Lithuania;

96.8. Public announcement of information determined in the Law on Companies of the Republic of Lithuania in electronic publication "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers;

96.9. Submission of information to shareholders;

96.10. Implementation of other functions determined by the Law on Companies of the Republic of Lithuania, other laws and legislation of the Republic of Lithuania, as well as by these Statute or in regulations of the position of the head of the Company.

97. Head of the Company must make certain submission to auditor of all Company's documents necessary to the inspection, determined in agreement with auditor or Audit Company.

98. Head of the Company shall represent the Company in relationship with third persons.

**X. ORDER OF ACCEPTANCE OF DECISIONS ON ESTABLISHMENT AND
TERMINATION OF ACTIVITY OF COMPANY'S BRANCHES AND REPRESENTATIVE
OFFICES, ORDER OF THE APPOINTMENT AND DISMISSAL OF HEADS OF
BRANCHES AND REPRESENTATIVE OFFICES**

99. Issues on establishment and termination of activity of Company's branches and representative offices as well as endorsement of their regulations shall be tackled by the Company's Board according to these Statute and valid laws of the Republic of Lithuania. Number of Company's branches and representative offices shall be unlimited.

100. Company's branch shall be a structural Company's subdivision possessing its' own residence and performing all or part of Company's functions. Company's branch shall not be a legal entity. The Company shall have a responsibility for branch's liabilities and a branch shall be responsible for Company's liabilities. Assets of branch of the Company shall be accounted in Company's balance sheets and in particular balance sheet of the branch.

101. The branch shall act and its activity shall be terminated in accordance with the regulations approved by the Board of the Company and the laws of the Republic of Lithuania.

102. If the liquidation of the Company is started, a branch shall also be liquidated. If the Company ends due to reorganization, a branch can be not liquidated but disposed to reorganized legal entity continuing the activity.

103. Company's representative office shall be a structural Company's subdivision possessing its' own residence and the right of representing of Company's concerns and protect them, the right of conclusion of agreements and of performing other operations on behalf of the Company



according to the laws of the Republic of Lithuania and regulations of the representative office. Company's representative office shall not be a legal entity, so the Company shall have a responsibility for representative office's liabilities and a representative office shall be responsible for Company's liabilities.

104. The representative office shall act and its activity shall be terminated in accordance with the regulations approved by the Board of the Company and the laws of the Republic of Lithuania.

105. Heads of the Company's branches and representative office's shall be appointed and recalled by the Company's Board.

XI. ORDER OF ANNOUNCEMENT OF COMPANY'S INFORMATION. COMPANY'S DOCUMENTS

106. Company's information regulated by the Law on Companies, Law on Securities and Law on Markets in Financial Instruments of the Republic of Lithuania shall be announced publicly and placed in the Central Storage Facility according to order determined by the Article 28 of the Law on Securities of the Republic of Lithuania.

107. In cases determined by the Law on Companies of the Republic of Lithuania, other laws of the Republic of Lithuania and by this Statute, the Company shall publish its' announcements in electronic publication "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers when they must be announced publicly. Other announcements shall be delivered to shareholder by registered mail at the address specified by him / her or against signature.

108. Company's body or institution that has made a decision on convocation of General Meeting of Shareholders submits to the Company information and documents necessary for preparation of announcement on convocation of the General Meeting of Shareholders. The Company must announce convocation of the General Meeting of Shareholders publicly in Company's website and in electronic publication, "Public Announcements of Legal Entities" issued by the State Enterprise Centre of Registers or against signature or delivered to shareholder by registered mail not later than 21 day until the day of General Meeting of Shareholders. Announcement on the repeated General Meeting of Shareholders shall be delivered in the one of the manners determined in this item of Company's Statute no later than 14 days until the day of this General Meeting of Shareholders.

109. Announcement on decision of decrease of authorized capital shall be delivered to each creditor against signature or by registered mail. In addition, the Company must announce the decision on decrease of authorized capital publicly in electronic publication "Public



Announcements of Legal Entities” issued by the State Enterprise Centre of Registers or delivered to each shareholder against signature or by registered mail.

110. If the Company is intended to be reorganized, head of the Company shall place an announcement on prepared terms of reorganization in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers for three times at intervals not less than 30 days. Alternatively, he / she shall place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and deliver written notices to each shareholder within 30 days until the General Meeting of Shareholders regarding Company’s reorganization. Information enumerated in Chapter 1 of Article 63 of the Law on Companies of the Republic of Lithuania shall be indicated in announcement or notice. The information on where and when it should be allowed to become acquainted with documents enumerated in Chapter 2 of the Article 65 of the Law on Companies of the Republic of Lithuania must be indicated in them.

111. The Company must announce in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers on the decision of rearrangement of the Company for three times at intervals not less than 30 days. Alternatively, the Company must place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and written notices delivered to each creditor. Information on the Company and title of legal entity of the new legal form, its’ legal form and residence, indicated in Article 2.44 of the Civil Code of the Republic of Lithuania shall be indicated in notice.

112. Company’s liquidator shall place an announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers on liquidation of the Company for three times at intervals not less than 30 days. Alternatively, he must place one announcement in electronic publication “Public Announcements of Legal Entities” issued by the State Enterprise Centre of Registers and written notices delivered to each creditor. Information on the Company, indicated in Article 2.44 of the Civil Code of the Republic of Lithuania shall be indicated in announcement or notice.

113. The following information must be indicated in Company’s documents that are being used in relationship with other subjects: Company’s title, legal form, address of residence, code, register of legal entities that collects and keeps Company’s information, the word “going bankrupt” or “liquidated” if the Company is going bankrupt or being liquidated respectively, code of VAT payer if the Company appears VAT payer. The amount of authorized capital and amount of fully



paid authorized capital shall be indicated in Company's documents that are used in relationship with other subjects when Company's capital is mentioned in them.

XII. ORDER OF SUBMISSION OF COMPANY'S DOCUMENTS AND OTHER INFORMATION TO THE SHAREHOLDERS

114. On request of the shareholder, the Company must allow the shareholder no later than 7 days from the day of receipt of request become acquainting with and (or) submit copies of the following documents: Company's Statute, annual and interim financial statements, Company's annual and interim reports, auditors' conclusions and audit reports, protocols of General Meetings of Shareholders or other documents by who's a decisions of General Meeting of Shareholders are formalized, Supervisory board suggestions or appreciations to General Meetings of Shareholders, lists of shareholders, lists of the members of Supervisory board or the Board, other Company's documents that must be public according to law. Also the Company must allow the shareholder become acquainting with and (or) submit copies of the protocols of sessions of Supervisory Board or the Board or other documents by whose decisions of these bodies are formalized if these documents are not concerned with Company's commercial (production) secret, confidential information. Shareholder or a group of shareholders owning or holding more than ½ of the shares shall have the right to become acquainting with entire documents of the Company, after submission to the Company of written determined form commitment of disclosure of commercial (production) secret and confidential information. The Company shall be able to refuse permission of shareholder becoming acquainting and (or) submission of copies of documents if the shareholder requesting a documents cannot be identified. Refusal of permission of shareholder becoming acquainting and (or) submission of copies of documents must be formalized by the Company in written on demand of the shareholder. Litigations regarding the right of shareholder to get information shall be taken on court.

115. Company's documents or other information shall be submitted to the shareholders free of charge after submission of written application to the Company.

116. Available information of each Company's shareholder and if the share is being owned by several owners – of each owner and their representatives (name and surname of natural person, living place or forwarding address; title of legal entity, legal form and residence) as well as number of shares owned by the shareholder must be specified in the list of shareholders that is submitted to the shareholder.

XIII. PROCEDURE FOR AMENDMENT OF THE STATUTE



117. Company's Statute shall be amended by the decision of General Meeting of Shareholders, excluding exceptions determined by the Law on Companies of the Republic of Lithuania.

118. Entire text of amended Statute shall be written after General Meeting of Shareholders makes decision on amendment of Company's Statute, and a person authorized by the General Meeting of Shareholders shall sign it.

119. Company's Statute shall be considered amended just after the registration of amended Company's Statute by determined order in the Register of Legal Entities of the State Enterprise Centre of Registers.

A new edition of the Statute of Public limited liability company "KAUNO ENERGIJA" is approved by the decision of General Meeting of Shareholders of ____ April 2015.

Person authorized by the
General Meeting of Shareholders
____ April 2015

General Manager
Rimantas Bakas

