

AB "Žemaitijos pienas"
Notification on material event

Regarding convocation of the extraordinary general meeting of shareholders of the company

On the initiative and decision of the Board of AB "ŽEMAITIJOS PIENAS" (registered office Sedos str. 35, Telšiai, company code 180240752, hereinafter, the "Company"), dated 3 August 2016, the extraordinary general meeting of shareholders of the Company is being called on 26 August 2016.

Meeting place – Public company "Telšiai district business incubator", meeting hall, address Sedos str. 34A, Telšiai.

Meeting starts at 3:00 PM (registration of shareholders starts at 2:00 PM, registration place – Public company "Telšiai district business incubator", meeting hall, address Sedos str. 34A, Telšiai).

Accounting day of the meeting – 19 August 2016 (only those persons have the right to participate and vote at the general meeting of shareholders, who will be the shareholders of the Company at the close of the accounting date of the general meeting of shareholders, or their authorized persons, or persons, with whom an agreement on transfer of voting right is concluded).

Agenda of the meeting:

- 1) Delisting of the shares of the Company from trading on the regulated market AB Nasdaq Vilnius and non-execution of the public offering of the shares of the Company.
- 2) Granting of authorisations to the Manager of the Company.

The Company does not provide a possibility to participate and vote at the meeting by electronic means of communication.

Draft decisions regarding the meeting agenda issues (attached as Annex No. 1), documents, that are going to be presented to general meeting of shareholders and information, related to execution of shareholders rights were announced no later than 21 days before the meeting, in accordance to the legislation.

The shareholders who hold shares carrying at least 1/20 of all the votes may propose additions to the agenda of the general meeting of shareholders by submitting with every proposed additional item of the agenda a draft resolution of the general meeting of shareholders or, when no resolution is required, an explanation. Proposals on addition to the agenda shall be submitted in writing or sent by e-mail. Written proposals shall be submitted to the Company on business days or sent by registered mail at the address of the registered office of the Company indicated in the notice. Proposals submitted by e-mail shall be sent to the e-mail info@zpienas.lt. The agenda shall be supplemented if the proposal is received no later than 14 days before the extraordinary general meeting of shareholders. If the agenda of the general meeting of shareholders is supplemented, the Company shall notify on the additions no later than 10 days before the meeting in the same ways as in the case of convocation of the meeting.

The shareholders, who hold shares carrying at least 1/20 of all the votes, at any time before the general meeting of shareholders or during the meeting, may propose new draft resolutions on items which are or will be included in the agenda of the meeting. The proposals may be submitted in writing or sent by e-mail. Written proposals shall be submitted to the Company on business days or sent by registered mail at the address of the registered office of the Company indicated in the notice. Proposals submitted by e-mail shall be sent to the e-mail info@zpienas.lt.

The shareholders shall have the right to submit to the Company in advance questions relating to the items on the agenda of the meeting. The shareholders may submit their written questions to the Company on business days or sent by registered mail at the address of the registered office of the Company indicated in the notice no later than 3 business days before the meeting. The Company will reply to the questions by e-mail or in writing before the meeting, except the questions which are related to the Company's commercial (industrial) secret, confidential information or which have been submitted later than 3 business days before the meeting.

During the registration to attend the meeting, shareholders or their authorized persons shall provide an identity document. Persons authorized by shareholders shall provide a power of attorney, issued following the requirements of laws. Power of attorney granted by natural person must be approved by the notary public. Power of attorney issued in a foreign country must be translated into Lithuanian and legalized according to requirements of the laws. Authorized person can be authorized by more than one shareholder and vote differently according to each shareholders' orders.

The Company does not establish a special form of power of attorney. A shareholder holding shares of the Company, acquired on its own name but on behalf of other persons, before voting at the general meeting of shareholders shall disclose to the Company final customer's identity, the number of shares, which are used to vote and the content of voting instructions provided to him or any other explanation regarding participation and voting at the general meeting of shareholders agreed with the client. A shareholder may vote with the votes granted by the corresponding part of shares differently from the votes granted by other corresponding shares.

Shareholder or his authorized person can vote in advance in writing by filling in the general voting bulletin (attached as Annex No. 2). The template of the general voting bulletin was published no later than 21 day before the meeting. Under the request of shareholder, the Company shall send the general voting bulletin by registered mail or deliver it personally upon signature no later than 10 days before the meeting. Filled general voting bulletin shall be signed by the shareholder or his authorized person and provide the documents supporting the power of attorney. If the general voting bulletin is signed by the shareholder's authorized person, the document confirming the right to vote shall be submitted along with it. Filled general voting bulletin along with supplement documents (if necessary) shall be submitted to the Company by sending registered mail to the address of the registered office of the Company, indicated hereby no later than until the meeting. Draft decisions of the general meeting of shareholders and other information were announced in accordance to the legislation.

The shareholders of the Company may familiarise with the draft resolutions of the meeting and the form of the general ballot bulletin under the procedure prescribed by laws in the registered office of the Company at Sedos str. 35, Telšiai, or on the Company's website at <http://www.zpienas.lt/>. The following information and documents shall be provided on the abovementioned internet website of the Company:

- the notification on convocation of the meeting;
- total number of the Company's shares and the number of shares with voting rights on the convening day of the meeting.

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Attachments:

1. Draft decisions
2. General ballot bulletin