

APPROVED :  
By the minutes of the Board of  
AB "Žemaitijos pienas"

Suggested draft decisions concerning the agenda (partly modified) of ŽEMAITIJOS PIENAS, AB Extraordinary General Meeting of Shareholders to be convened on 28 October 2016

No.	Matter on the agenda	Draft decision
1.	Change of the par value of the shares of the Company.	<p>1.1. To change the par value of the shares of the Company from EUR 0.29 (twenty nine eurocents) to EUR 1 (one euro) and, taking into consideration the change of par value of the shares issued by the Company, instead of 48,375,000 (forty eight million three hundred seventy five thousand) ordinary registered shares of the Company with a par value of EUR 0.29 (twenty nine eurocents) each to issue 14,028,750 (fourteen million twenty eight thousand seven hundred fifty) ordinary registered shares with a par value of EUR 1 (one euro) each, which will be distributed to the shareholders of the Company in proportion to the amount of the shares held by them at the close of the day of registration of the amended Articles of Association of the Company with the Register of Legal Entities.</p> <p>1.2. The shares held by the shareholders of the Company shall be changed according to the following order:</p> <ul style="list-style-type: none"> <li>(i) the Company's existing shares shall be cancelled to all the shareholders of the Company in proportion to the par value of the shares held by them;</li> <li>(ii) the number of shares after the change of the par value of shares, attributable to the shareholders of the Company, who at the close of the day of registration of amended Articles of Association of the Company with the Register of Legal Entities hold 1 (one) or more shares in the Company, shall be calculated by multiplying the number of shares, held at the close of the day of registration of amended Articles of Association of the Company with the Register of Legal Entities, by 0.29 and expressing the received number in the amount of shares with par value of EUR 1 held by each shareholder of the Company in the following order: Regardless of whether the resulting number of shares owned by the shareholder of the Company has the fractional part or is an integer, in all cases, the resulting number will be rounded up to integer number, despite arithmetic rounding rules, and that figure shall be considered as the number of shares of the Company held by the shareholder of the Company (e.g. if after the calculation following the above indicated rule it is received 0.29, the shareholder of the Company will be awarded with 1 (one) share of the Company with a par value of EUR 1, if it is received 5 – it will be awarded with 6 (six) shares of the Company with a par value of EUR 1 each, if it is received 17.4 – it will be awarded with 18 (eighteen) shares of the Company with par value of EUR 1 each, etc.).</li> </ul> <p>1.3. According to the order indicated above, despite the arithmetic rounding rules, 1 (one) share of the Company awarded to all the shareholders of the Company, will be granted from the own shares held by the Company, which the Company will own at the close of the day of registration of amended Articles of Association of the Company with the Register of Legal Entities, and the number of own shares held by the Company will be respectively reduced by the number of the shares awarded to the shareholders of the Company according to the indicated rules.</p> <p>1.4. If the number of shares, calculated according to the aforementioned rules,</p>

		<p>to all the shareholders of the Company (hereinafter – the Calculated number of shares) exceeds 14,028,750 (the number of shares of the Company after increase of the par value, hereinafter – the Maximum number of shares), the number of own shares held by the Company shall be reduced by the number equal to the difference between the Calculated number of shares and the Maximum number of shares, so that the number of shares of the Company after the increase of par value would be constituted from the Maximum number of shares.</p>
		<p>1.5. If the Calculated number of shares, calculated according to the aforementioned rules, is less than the Maximum number of shares, the number of own shares held by the Company shall be increased by the number equal to difference between the Maximum number of shares and the Calculated number of shares, so that the number of shares of the Company after the increase of par value would be constituted from the Maximum number of shares.</p>
		<p>1.6. To establish, that prior to presentation of documents to the Register of Legal Entities for registration of change of par value of the shares of the Company, an application shall be submitted for suspension of the trading in Company’s shares on AB Nasdaq Vilnius stock exchange. It is intended to suspend the trading in Company’s shares until the day on which the Register of Legal Entities registers the Articles of Association of the Company with changed par value of the shares of the Company and the Central Securities Depository of Lithuania makes adjustments of general securities account, unless it would be necessary to suspend the trading for a longer period.</p> <p>To establish that after the increase of the par value of the shares of the Company, the authorised capital of the Company will not change and will be equal to EUR 14,028,750 (fourteen million twenty eight thousand seven hundred fifty euro), however, it will be divided into 14,028,750 (fourteen million twenty eight thousand seven hundred fifty) ordinary registered shares with par value of EUR 1 (one euro) each.</p>
2.	Increase of the number of Board members of the Company.	To increase the number of Board members of the Company from 5 (five) to 7 (seven).
3.	Change of the Articles of Association of the Company.	<p>3.1. Taking into consideration the adopted decisions to increase the par value of the shares of the Company and the number of Board members of the Company, as well as the requirements of amended Law of the Republic of Lithuania on Companies, to approve the amended wording of the Articles of Association of the Company. To replace Part 5.1 of the Articles of Association of the Company with the following wording: ‘5.1. The authorised capital of the Company shall be EUR 14,028,750 (fourteen million twenty eight thousand seven hundred and fifty euro). The authorised capital shall be divided into 14,028,750 (fourteen million twenty eight thousand seven hundred and fifty) ordinary registered shares with a par value of EUR 1 (one) each’. To replace Paragraph 1 of Part 7.40 of the Articles of Association of the Company with the following wording: ‘The Board of the Company shall be a collegial body that represents the Company’s shareholders throughout the periods between their meetings and adopts decisions on the key issues concerning the economic activities of the Company. The work procedures of the Board shall be established by the work regulation of the Board adopted by the Board. The Board shall consist of 7 (seven) members. The Board members shall be elected by the Supervisory Council of the Company for a period not exceeding four years. The number of their terms of office shall be unlimited. The activities of the Board shall be managed by the Chairman elected by the Board from its members’.</p> <p>3.2. To provide the right to the Board of the Company to establish the terms, basis, procedure and etc. for paying out the dividends, bonuses and other payments. To supplement the Articles of Association with Part 7.52 having the following wording: ‘7.52. The Board of the Company shall be entitled to</p>

		<p>establish the terms, basis, procedure and etc. for paying out the dividends, bonuses and other payments.<sup>1</sup>.</p> <p>3.3. To authorize and commit the Company manager (Director General), including the right to delegate another person, to sign the new wording of the Articles of Association of the Company and to register it in the Register of Legal Entities following the procedure established by law, as well as to carry out other actions and sign other documents relating to the above decisions.</p>
4.	Establishment of the procedure for sale of own shares of the Company and the minimum sale price.	<p>4.1. To establish that the own shares held by the Company will be granted for encouragement of the employees of the Company, aiming that they would contribute to pursuing better results of the Company, and it shall be aimed to sell them to the employees of the Company, except the employees, who are the members of the Board or Supervisory Council of the Company or the Manager of the Company.</p> <p>4.2. To establish the minimum sale price of the own shares of the Company, which shall be not less than the par value of the shares of the Company.</p> <p>4.3. To delegate to the Board of the Company to organize the sale of the own shares to the employees of the Company, to establish a detailed order for sale of the own shares, timing, as well as number and final price thereof, also to execute all other related actions following the conditions, established in this decision and the requirements of the Law of the Republic of Lithuania on Companies.</p>
5.	Revocation of the member of the Supervisory Council of the Company.	To revoke Mr. Robertas Pažemeckas from the members of the Supervisory Council of the Company.
6.	Election of the member of the Supervisory Council of the Company.	To elect Mr. Asta Šliogerė as a member of the Supervisory Council replacing the revoked member of the Supervisory Council until the expiry of the term of office of the current Supervisory Council.

<sup>1</sup> The provision shall apply to the relationships that are valid / occur both prior and after the adoption of the provision.