Form approved by Sanitas AB Management Board
Resolution No. 05/09 on
September 1, 2009

[*may be amended according to the specific requirements of the Board*]

PHANTOM SHARE OPTION AGREEMENT
(with respect to the Tranche 2 Option Shares)

Between:

AB SANITAS
(Company)

and

[___]
(Option Holder)

[___] [___] 20[___]

PHANTOM SHARE OPTION AGREEMENT
(with respect to the Tranche 2 Option Shares)

This Phantom Share Option Agreement (the "**Agreement**") is made on [___] [___] 20[___] by and between:

(1) **AB Sanitas**, the public company organised and existing under Lithuanian law, company code 134136296, address at Veiverių st. 134B, Kaunas, Lithuania, represented by its Managing Director [___], acting in accordance with [___] (the "**Company**");

and

(2) **[*name and surname of the management member*]**, personal code [___], residing at [___] (the "**Option Holder**").

The Company and the Option Holder are collectively referred to as the **"Parties**" and each separately as the "**Party**".

WHEREAS:

(A) On [___] [___] 2009 the Board of the Company approved the Phantom Option Plan applicable to the management members of the Company and its Affiliated Companies;

(B) On [___] [___] 20[___] the competent bodies of the Company decided to designate the Option Holder as a management member eligible to acquire the Option over [___] ([___]) Option Shares of the Company;

(C) Following the above decisions the Parties intend to enter into the Agreement setting out the conditions on which the Option Holder will be entitled to exercise the Option with respect to the Option Shares referred to in Recital (B) above;

NOW, THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS

1.1. Whenever used in this Agreement, the following definitions when capitalized shall have the following meaning:

"Affiliated Company"	–	any person or entity in which at least 25 percent of the equity and/or voting interest is directly or indirectly owned or controlled by the Company;
"Agreement"	–	this Phantom Share Option Agreement, including all its annexes, amendments and supplements;
"Board"	–	the management board of the Company;

"Business Day"	–	a day (other than Saturday or Sunday) on which banks are officially open in Lithuania;
"EUR"	–	euro, the lawful currency of states – members of the Economic and Monetary Union;
"Exit"	–	a change of control of the Company, i.e. an acquisition of more than 50 per cent (i.e. 50 per cent plus one Share and/or vote) of all Shares and/or votes in the General Meeting by the Investor (except for the Company's current major shareholders Citigroup Venture Capital International Jersey Limited, Amber Trust II SCA and AB Invalda) acting individually or jointly with other persons. For the avoidance of doubt, should any of the Company's current major shareholders Citigroup Venture Capital International Jersey Limited and/or Amber Trust II SCA and/or AB Invalda acting individually or jointly acquire more than 50 per cent of all Company's Shares and/or votes in the General Meeting, this will not constitute the Exit;
"Exit Price"	–	the average price in EUR paid by the Investor for the Shares and/or votes to the outgoing shareholders of the Company upon the Exit;
"Final Consideration"	–	the amount to be calculated in accordance with Clause 3.3 below and paid by the Company to the Option Holder upon the exercise of the Option;
"General Meeting"	–	an ordinary or extraordinary general meeting of shareholders of the Company;
"Investor"	–	any person (except for the Company's current major shareholders Citigroup Venture Capital International Jersey Limited and/or Amber Trust II SCA and/or AB Invalda) who in one or several transactions acquires a title to more than 50 per cent of all Shares and/or votes in the General Meeting;
"LTL"	–	Litas, the lawful currency of the Republic of Lithuania;
"Managing Director"	–	the Managing Director (Chief Executive Officer) of the Company;
"Option"	–	an automatic right to receive an amount in cash equal to the Final Consideration (i.e. the difference between the Exit Price and the Option Price);
"Option Date"	–	the day when the Exit Price is identified in accordance with Clauses 3.6-3.8 below;
"Option Price"	–	EUR 5.21 per each Option Share;

"Option Shares"	–	[___] ([___]) Shares of the Company over which the Option is granted to the Option Holder hereunder;
"Phantom Option Plan"	–	the Management Incentive Scheme (Phantom Share Option Plan) approved by the Board of the Company on [___] [___] 2009, which laid down the major conditions for granting the Option to the Option Holder;
"Share Capital"	–	the aggregate amount of the nominal values of all the Shares of the Company outstanding on the exercise date of the Option; on the date of this Agreement the Share Capital equals to LTL 31,105,920 (thirty one million one hundred and five thousand nine hundred and twenty Litas);
"Shares"	–	all issued, subscribed and registered dematerialised ordinary registered shares of the Company each having a par value of LTL 1 (one Litas);
"Taxes"	–	any and all taxes of any kind payable or to be paid to the state or municipal budgets or official institutions or organisations, health insurance taxes, social insurance taxes, any other mandatory state, municipal or other taxes, duties or levies;
"Tranche 2 Option Shares"	–	has the meaning assigned to it in the Phantom Option Plan.

1.2. In this Agreement, unless the context otherwise requires:

1.2.1. Headings are for convenience only and do not affect the interpretation of this Agreement;

1.2.2. Words importing the singular include the plural and vice versa;

1.2.3. A reference to a document includes an amendment, supplement to or novation of that document but disregarding any amendment, supplement, replacement or novation made in breach of this Agreement; and

1.2.4. A reference to a party includes that party's permitted assignees.

2. GRANT OF THE OPTION

2.1. The Option Holder shall hereby be granted the Option over all the Option Shares, the exercise of which shall be subject to the occurrence of the Exit.

2.2. The Option Holder shall not be entitled to transfer the Option to any other person until Option date.

3. EXERCISE OF THE OPTION

Timing and Method

3.1. The Option shall be exercised on the Option Date automatically without any further notice, i.e. the Option Holder shall not have an obligation to submit any notice to the Company about his/her wish to exercise the Option and the Option shall be regarded as exercised as soon as the Option Date comes.

3.2. The Option shall be exercised with respect to all Option Shares at once.

3.3. Upon the exercise of the Option in accordance with Clause 3.1 above, the Option Holder shall be entitled to receive, for each Option Share as to which the Option is exercised, an amount in cash equal to the excess of the Exit Price and the Option Price (the "**Final Consideration**").

*Final Consideration = (Exit Price – Option Price) * Amount of the Option Shares*

3.4. For the avoidance of doubt, the Option shall be exercised not through the acquisition of the Option Shares by the Option Holder but by receiving a monetary compensation (the Final Consideration) from the Company.

Option Price

3.5. The Option Price shall be equal to EUR 5.21 per each Option Share, i.e. EUR [___] ([___] euros) in total. The Parties confirm that despite of the market price of the Shares on the date of the exercise of the Option, each of the Parties considers the Option Price to be fair and equitable even if the value of the Company after the date of this Agreement changes.

Identification of the Exit Price

3.6. For the purpose of the implementation of this Agreement, the Exit Price shall be identified as follows:

3.6.1. If the Managing Director possesses valid evidence, satisfactory to the Board, proving the amount of the Exit Price, he/she shall identify the Exit Price and announce it to the Option Holder in writing by any means not later than within 3 (three) Business Days from the Exit;

3.6.2. If the Managing Director does not possess valid evidence, satisfactory to the Board, proving the amount of the Exit Price, then the Exit Price shall be deemed to be equal to the price offered by the Investor during the mandatory tender offer announced after the Exit in accordance with applicable laws. In such a case the Exit Price shall be identified by the Managing Director and announced to the Option Holder in writing by any means not later than within 3 (three) Business Days following the announcement of the mandatory tender offer; or

3.6.3. If the Exit Price may not be identified using the methods described in Clauses 3.6.1-3.6.2 above, then the Exit Price shall be identified by any other means available for the Company and/or the Option Holder.

3.7. For the avoidance of doubt, if the Exit Price is indentified but the Managing Director fails to announce it to the Option Holder, this shall still be regarded as the identification of the Exit Price.

3.8. The Company shall be fully liable that the Managing Director fully complies to the provisions of Clause 3.6 related to the identification and announcement of the Exit Price. If the Managing Director fails to identify and/or announce the Exit Price when due, then the Company shall compensate the losses to the Option Holder as referred to in Clauses 7.1-7.3 below.

Payment of the Final Consideration

3.9. The Final Consideration shall be inclusive of all Taxes due by the Option Holder and the Company. If according to the applicable laws the Company shall be obliged to pay these Taxes, then the Company shall withhold the amount of all the Taxes due by the Option Holder and the Company from the Final Consideration. For the avoidance of doubt, the Final Consideration represents the entire costs to be borne by the Company with respect to the exercise of the Option. Therefore all the Taxes which the Company shall be obliged to pay above (in addition to) the Final Consideration (if any) are already included in the amount of the Final Consideration and shall be paid by the Company not in addition to but be deducted from the Final Consideration.

3.10. The Company shall pay the Final Consideration less any applicable Taxes due by the Option Holder and the Company within 5 (five) Business Days from the Option Date by transferring it to the bank account of the Option Holder No. [___] opened with [___] or any other bank account instructed by the Option Holder in writing in advance.

Material Conditions

3.11. The Parties consider the provisions of this Clause 3 to be material for this Agreement, the breach of which by the Company and/or the Managing Director shall be considered as the material breach of this Agreement.

4. SHARE CAPITAL AND ITS ALTERATIONS

4.1. On the date of this Agreement the Share Capital of the Company equals to LTL 31,105,920 (thirty one million one hundred and five thousand nine hundred and twenty Litas) and is divided into 31,105,920 (thirty one million one hundred and five thousand nine hundred and twenty) Shares. Should the size of the Share Capital of the Company be increased/reduced or should the nominal value of the Shares be changed between the date of this Agreement and the date of the exercise of the Option, then the amount of the Option Shares subject to the Option hereunder as well as the Option Price shall be appropriately adjusted consistent with the change in such manner as the Board and the Managing Director may deem reasonable and equitable to prevent any dilution or enlargement of rights granted to the Option Holder. Any adjustments determined by the Board and the Managing Director in good faith shall be binding on the Company and the Option Holder.

4.2. If reasonably necessary, the Parties shall enter into the amendment of this Agreement reflecting the changes referred to in Clause 4.1 above.

5. REPRESENTATIONS AND WARRANTIES

5.1. The Parties hereby represent and warrant to each other that:

5.1.1. The Party is a company duly incorporated and existing under the laws applicable to it or an individual having full capacity;

5.1.2. The Party has full power and authority to execute and perform this Agreement; this Agreement constitutes a valid and binding obligation of the Party enforceable in accordance with its terms; and

5.1.3. Neither the execution of this Agreement, nor the performance of its terms will conflict with or result in breach of any of the provisions of (i) any judgement or ruling of any court, governmental or local authority to which the Party is subject; (ii) any contract, commitment or permit to which it is a party; or (iii) any applicable law.

5.2. The Company represents and warrants to the Option Holder that on the date of this Agreement as well as on the date of the exercise of the Option:

5.2.1. The Company is duly organized and validly existing under the applicable laws of the Republic of Lithuania with full corporate power and authority to carry out the business it carries out on the date of this Agreement, own, use and dispose the properties it purports to own, use and dispose;

5.2.2. The Company has full capacity to grant the Option over the Option Shares to the Option Holder and such grant has been duly certified by the competent bodies of the Company;

5.2.3. The Company has sufficient monetary funds to pay the Final Consideration to the Option Holder when due; and

5.2.4. No third party has any right to acquire the Option over the Option Shares and there are no circumstances which could hinder the exercise of the Option by the Option Holder under this Agreement.

6. COMMITMENTS OF THE COMPANY

6.1. The Company shall take and shall cause other persons to take all actions necessary to duly and timely perform this Agreement (including but not limited to the identification and announcement of the Exit Price by the Managing Director under Clauses 3.6-3.8 below).

6.2. The Company hereby undertakes, without having obtained a prior written consent of the Option Holder, during the time of this Agreement:

6.2.1. Not to enter into any transaction which may result in the restriction of the Company's right to pay the Final Consideration to the Option Holder;

6.2.2. To object to any amendment and/or revocation of the Phantom Option Plan that is of detriment to the interests of the Option Holder.

6.3. In addition, the Company undertakes to carry out its business in a normal course.

7. INDEMNITY

Breach by the Company

7.1. Subject to Clause 8.2.3 below and without prejudice to other rights of the Option Holder stipulated in applicable laws and this Agreement, if (i) the Phantom Option Plan be revoked or amended to the detriment of the Option Holder; or (ii) the Managing Director fails to identify and announce the Exit Price when due; or (iii) the Company failed to pay the Final Consideration when due; or (iv) the Company provided a misleading or untrue representation or warranty; or (v) the Company otherwise committed a breach of this Agreement and failed to or neglected to remedy that breach within a reasonable time after the receipt of a written notice from the Option Holder, then the Company shall compensate all losses (including lost income) of the Option Holder.

7.2. For the avoidance of doubt, the Company shall be fully liable for the actions or omissions of its bodies and shareholders. Therefore the failure of the Company's bodies or shareholders to take actions required to duly perform this Agreement (such as identification and announcement of the Exit Price by the Managing Director) shall be considered as the failure of the Company to duly perform this Agreement which will result in the Option Holder's right to utilise the remedies referred to in Clause 7.1 above.

7.3. If the Company fails to settle any payments under this Agreement when due, it shall pay to the Option Holder a default interest of 0.05 per cent on the delayed amount for each day of delay.

Breach by the Option Holder

7.4. If (i) the Option Holder committed a breach of this Agreement and failed to or neglected to remedy that breach within a reasonable time after the receipt of a written notice from the Company; or (ii) the Option Holder provided a misleading or untrue representation or warranty, then the Option Holder shall compensate all losses (including lost income) incurred by the Company.

General Provisions

7.5. The aggrieved Party shall be entitled to require the compensation of losses in accordance with Clauses 7.1-7.4 above by providing the Party in default with a written notice. The Party in default shall pay the required and justified amount to the bank account indicated by the aggrieved Party within a reasonable time indicated in the notice of the aggrieved Party. If the requirement of the aggrieved Party is not settled during the aforementioned period, the aggrieved Party shall be entitled to revert to the dispute resolution procedure indicated below.

8. VALIDITY

8.1. This Agreement shall come into force from its execution by the Parties.

8.2. This Agreement shall automatically terminate without any further notice:

8.2.1. If before the Option Date the Option Holder dies; or

8.2.2. If the Exit does not occur until [31 December 2013].

8.3. In addition, this Agreement may be terminated:

8.3.1. By the Option Holder, who shall be entitled to terminate this Agreement unilaterally by serving an immediate written notice to the Company in case the Company has made a material breach of this Agreement;

8.3.2. Upon a written consent of both Parties.

8.4. For the avoidance of doubt, the Company shall not be entitled to terminate this Agreement unilaterally.

9. NOTICES

9.1. All notices, requests, demands and other communications shall be made in writing and shall be deemed to have been duly given when delivered in person, sent by registered or courier mail, e-mail or fax (if the addressee confirms the acceptance), at the following addresses or any other address notified by the Party in accordance with this Agreement as its address for service:

If to the Company:

Attn: Managing Director
AB Sanitas
[___], Lithuania
Tel.: +370 [___]
Fax: +370 [___]
E-mail: [___]

If to the Option Holder:

[___]
[___], Lithuania
Tel.: +370 [___]
Fax: +370 [___]
E-mail: [___]

9.2. A notice delivered by the Party in person shall be considered received by the other Party on the day of a delivery; a notice sent by registered or courier mail shall be considered received on the 3rd day after the dispatch and a notice sent by e-mail or fax shall be considered received on the day of an addressee's confirmation.

9.3. The Party undertakes to inform the other Party about a change of its address.

10. MISCELLANEOUS

10.1. **Governing Law.** This Agreement shall be governed by and construed in accordance with Lithuanian law.

10.2. **Dispute Settlement.** Any dispute, controversy or claim arising out of or relating to this Agreement, its breach, termination or validity, shall be settled by competent courts of the Republic of Lithuania.

10.3. **Enforceable Agreement**. The Parties hereby confirm that they have entered into this Agreement on their free will and they do not consider this Agreement to be a preliminary arrangement. Therefore the Company confirms its understanding that it may neither object to the exercise of the Option nor refuse to pay the Final Consideration to the Option Holder. If the Company fails to pay the Final Consideration to the Option Holder when due, then the Option Holder may enforce this Agreement by applying to competent dispute settlement bodies.

10.4. **Amendments**. This Agreement may be amended only upon a written agreement of the Parties.

10.5. **Confidentiality.** This Agreement as well as all information, documents and correspondence in relation hereto shall be considered as strictly confidential and shall not be disclosed to any third persons, except as required by applicable law.

10.6. **Counterparts**. This Agreement is executed in two original counterparts in the English and Lithuanian languages, all the texts being equally authentic and having equal legal force. In case of discrepancies, the English text shall prevail.

The Parties have read the Agreement, understood its content and consequences and signed the Agreement as a document embodying their will and intentions.

Signatures of the Parties:

On behalf of the Company:	The Option Holder:
_____	_____
[___]	[___]