

## **Amendment of the Bylaws of the Company.**

ENCLOSED: the new edition of the Bylaws of AB Lietuvos Dujos.

### Draft resolution.

”1.1. To amend the Bylaws of AB Lietuvos Dujos (hereinafter – the Bylaws) as follows:

1.1.1. To amend item 2.2 of the Bylaws and to set forth it as follows:

“2.2. Types of activities, including but not limited to:  
35.22 Distribution of gas fuel through pipelines;  
35.23 Sale of gas through gas pipelines;  
49.50 Transportation through pipelines.”

1.1.2. To amend item 10.2 of the Bylaws and to set forth it as follows:

“10.2. Any and all notices to be publicly announced in a daily in accordance with legal acts shall be announced in the daily “Lietuvos Rytas”. The notice of convening of the General Meeting of Shareholders shall be announced in the daily “Lietuvos Rytas” and shall be sent by registered mail to shareholders whose shares entitle them to at least 10 percent of the total number of votes.”

1.1.3. To amend items 6.1.15., 8.2.14., 8.4., 8.5 of the Bylaws and to set forth them as follows:

“6.1.15. approve annual financial statements;”

“8.2.14. annual report on the Company’s activities, analyze and evaluate the financial condition of the Company; results of business activities, income and expenditure estimates, stock-taking data and other records of change of valuables;”

“8.4. The Board of Directors shall analyze, evaluate the Company’s draft annual financial statements and draft appropriation of profit (loss) presented by the General Manager and together with the annual report on the Company’s activities submit them to the General Meeting of Shareholders. The Board shall determine the method of estimating depreciation and depreciation rates.”

“8.5. The Board of Directors must hold General Meetings of Shareholders in due time, draw up the agendas of the General Meetings of Shareholders, present to the shareholders the Company’s annual financial statements, the draft appropriation of profit (loss), the annual report on the Company’s activities and other information required for considering the items on the agenda.”;

1.1.4. To amend items 6.1.14., 8.9 of the Bylaws and to set forth them as follows:

“6.1.14. fix terms of payments in consideration of audit services, annual payments to be made out of profits to members of the Board of Directors;”

“8.9. The General Meeting of Shareholders may remunerate members of the Board of Directors for their service on the Board of Directors only out of the profit. The amount appropriated for the annual remuneration of Directors and bonuses to employees as well as other purposes may not exceed 1/5 of the net profit earned in the accounting financial year.”.

1.2. To approve the new edition of the Bylaws with the amendments indicated in item 1.1.

1.3. To authorise the Company’s General Manager Viktoras Valentukevičius to sign the new edition of the Bylaws.”

**BYLAWS  
OF STOCK COMPANY  
"LIETUVOS DUJOS"**

**1. GENERAL CONDITIONS**

1.1. Stock Company "Lietuvos Dujos" (hereinafter - the "Company") is an independent company of limited civil liability with its authorized capital divided into shares. The Company is operating in accordance with the laws, Government Resolutions and other legal regulations of the Republic of Lithuania governing the activities of companies, and these bylaws.

1.2. The Company is a private legal entity of limited civil liability that has economic, financial, organizational and legal independence, a separate balance sheet, accounts with bank institutions, civil rights and duties established by laws.

The Company's assets shall be separated from its shareholders' assets. With respect to its obligations, the Company shall be liable to the extent of its assets. With respect to the obligations of the Company, the shareholders shall be liable exclusively to the amount they must pay for the shares.

1.3. The Company's name: Stock Company "Lietuvos dujos".

1.4. The Company has been established for an unlimited term of duration.

1.5. A calendar year shall be the Company's financial year.

1.6. The registered office of the Company is at Aguonų st. 24, LT-2600 Vilnius, the Republic of Lithuania.

1.7. The Company has a seal with an inscription: The Republic of Lithuania. Stock Company "Lietuvos dujos".

**2. PURPOSE AND NATURE OF BUSINESS ACTIVITIES OF THE COMPANY**

2.1. The nature of business activities and key purposes of the Company: to ensure a long-term and reliable supply of gas to the consumers in Lithuania, the development of the gas business, safe operation of gas transmission systems and rational use of the property and other resources of the Company, to seek profit in order to ensure property interests of the shareholders thereof.

2.2. Types of activities, including but not limited to:

- 35.22. Distribution of gas fuel through pipelines;
- 35.23. Sale of gas through gas pipelines;
- 49.50. Transportation through pipelines.

2.3. The Company may also engage in other activities that are not prohibited by the laws of the Republic of Lithuania. The Company may engage in activities that are subject to licensing or issuance of relevant permits only upon issuance of appropriate permits or licenses.

### **3. AFFILIATES AND REPRESENTATIVE OFFICES OF THE COMPANY**

3.1. The Company may establish and liquidate its affiliates and representative offices under the procedure established by the laws of the Republic of Lithuania. The number of affiliates and representative offices of the Company shall not be restricted.

3.2. The Board of Directors of the Company shall adopt decisions regarding the establishment and dissolution of affiliates and representative offices and appoint and cancel the governing bodies of the Company's affiliates.

3.3. An affiliate or representative office shall operate in accordance with the regulations approved by the Board of Directors of the Company.

3.4. Having adopted a decision to dissolve an affiliate or representative office, the Board of Directors of the Company shall appoint a person responsible for the accomplishment of the dissolution procedures.

### **4. AUTHORIZED CAPITAL. NUMBER OF SHARES BY TYPE AND CLASS, PAR VALUE OF SHARES AND RIGHTS CARRIED BY SHARES**

4.1. The authorized capital of the company shall be 469 068 254 (four hundred sixty nine million sixty eight thousand two hundred fifty four) Litas. Authorized capital of the company has been divided into 469 068 254 (four hundred sixty nine million sixty eight thousand two hundred fifty four) ordinary registered shares of 1,00 (one) Litas par value each.

4.2. The authorized capital of the Company may be altered (increased or reduced) or one class of shares of stock may be exchanged for another class of shares provided the General Meeting of Shareholders adopts a relevant resolution and amends accordingly the bylaws of the Company by at least a 2/3 majority vote of those present at the meeting, except for the cases prescribed imperatively by law. The authorized capital of the Company and the class of shares of stock shall be deemed to have been altered/exchanged upon registration of relevant amendments to the bylaws of the Company in the Register of Legal Entities of the Republic of Lithuania.

The Company shall be allowed to issue new shares or to increase the par value of its shares only if its authorized capital has been paid-up in full.

4.3. One ordinary registered share of 1 (one) Litas par value shall entitle its owner to one vote at the General Meeting of Shareholders.

4.4. Each shareholder of the Company shall have such rights as are carried by the Company's shares held thereby. The shareholders shall have the following property rights:

- 1) to receive a share of the Company's profits (dividend);
- 2) to receive a portion of the Company's property upon its liquidation;
- 3) to receive shares gratis if the authorized capital is being increased out of the Company's funds, except for the cases under the Law of Stock Companies;
- 4) to exercise a pre-emptive right in acquiring a new issue of shares or convertible bonds of the Company except for the case where the General Meeting of Shareholders, acting pursuant to the procedure under the Law of Stock Companies, resolves to revoke such pre-emptive right with respect to all shareholders. The General Meeting of Shareholders shall set the term, during which the right may be exercised by the shareholders. This term may not be shorter than 30 days as of the day the shareholders of the Company receive such an offer;
- 5) to bequest shares, in whole or in part, to one or a few persons;
- 6) to assign ownership of shares, in whole or in part, to other persons;
- 7) other property rights under the laws of the Republic of Lithuania.

4.5. The shareholders shall have the following non-property rights:

- 1) to attend the General Meetings of Shareholders;
- 2) to receive information about business activities of the Company;
- 3) to appeal to court against resolutions of the General Meeting of Shareholders, decisions and actions of the Board of Directors and the General Manager;
- 4) to enter into an agreement with an audit company for examining the Company's activities and documentation pursuant to the procedure under the Law of Stock Companies;
- 5) other rights under the laws of the Republic of Lithuania and the bylaws of the Company.

4.6. To exercise shareholder property and non-property rights, two or more shareholders of the Company may enter into a shareholder agreement. The shareholder agreement is to provide for/identify the following:

- 1) shareholders (given names, last names, identification numbers of shareholders - natural persons, names, codes of shareholders - legal persons) and addresses thereof;
- 2) name of the Company;

- 3) obligations undertaken by the shareholders in respect of voting on all or any separate item of the agenda of a General Meeting of Shareholders, carrying out of decisions made by the Meeting, exercising of other non-property rights of shareholders;
- 4) liability for default on obligations undertaken;
- 5) procedure for settlement of disputes arising between/among the shareholders-parties to the agreement;
- 6) term of the agreement.

Upon execution of a shareholder agreement(-s), in exercising their property and non-property rights under the laws of the Republic of Lithuania and these bylaws, including but not limited to the rights and duties under Articles 6.1, 8.1, 8.6 and 8.7, shareholders of the Company shall abide by the provisions of the shareholder agreement(-s) executed thereby.

4.7. The Company's shares shall be issued in one class, i.e. ordinary registered shares of stock. The Company's shares shall be incorporate. They shall be evidenced by relevant entries in securities accounts.

## **5. CORPORATE GOVERNANCE**

5.1. The bodies of the Company shall be:

- the General Meeting of Shareholders,
- the Board of Directors,
- the Head of the Company - the General Manager.

5.2. The General Meeting of Shareholders shall be the supreme body of the Company. The General Meeting of Shareholders shall not have the right to delegate matters assigned to its competence to other governing bodies of the Company.

5.3. The governing bodies of the Company must act only in the interest and for the benefit of the Company and its shareholders and may not take decisions or perform any other acts that are in breach of the bylaws of the Company, that obviously exceed the normal industrial-business risk and are obviously detrimental or economically non-beneficial to the Company.

## **6. GENERAL MEETING OF SHAREHOLDERS. ADOPTION OF RESOLUTIONS BY THE GENERAL MEETING OF SHAREHOLDERS**

6.1. Only the General Meeting of Shareholders shall:

- 1) amend and supplement the Company's bylaws (except for the cases under the Law of Stock Companies);
- 2) pass a resolution on the increase of the authorized capital;
- 3) determine the class, number and the minimum issue price of shares to be issued by the Company, the par value thereof;

- 4) pass a resolution to reduce the authorized capital (except for cases under the Law of Stock Companies);
- 5) make a decision to issue convertible bonds;
- 6) pass a resolution to exchange one type or class of shares for another, approve the exchange procedures;
- 7) pass a resolution to liquidate the Company or to cancel liquidation (except for the cases under the Law on Stock Companies);
- 8) pass a resolution on the reorganization or division of the Company and approve the terms of reorganization or division;
- 9) pass a resolution on the distribution of profits (loss);
- 10) pass a resolution on the formation, use, reduction or cancellation of reserves;
- 11) pass a resolution to reorganize or restructure the Company;
- 12) elect and dismiss members of the Board of Directors;
- 13) elect and dismiss audit company;
- 14) fix terms of payments in consideration of audit services, annual payments to be made out of profits to members of the Board of Directors;
- 15) approve annual financial statements;
- 16) pass a resolution to acquire by the Company its own shares of stock;
- 17) elect and remove the liquidator of the Company (except for the cases under the Law of Stock Companies);
- 18) pass a resolution (with respect to all shareholders) to revoke a pre-emptive right to acquire a new issue of shares or convertible bonds, if a person or persons (entities) are known (such people or entities can be also shareholders), who are granted a right to acquire shares or convertible bonds of the Company;
- 19) may decide on other issues within the scope of its competence under the bylaws of the Company if, according to the Law of Stock Companies of the Republic of Lithuania, such issues are not attributed to the competence of other bodies of the Company and if they are not essentially the tasks of the management bodies.

Resolutions of the General Meeting of Shareholders shall be adopted by a simple majority vote, except for the cases:

- where resolutions are adopted on matters listed above in items 1-12, which shall require at least a 2/3 majority vote of the shareholders present at the Meeting;
- where a resolution is adopted (with respect to all shareholders) to revoke a pre-emptive right to a particular issue of shares or convertible bonds of the Company, which shall require a 3/4 majority vote of the shareholders present at the Meeting;
- where the Board of Directors of the Company is being elected pursuant to the rules under the Law of Stock Companies.

The General Meeting of Shareholders may adopt resolutions when the Meeting is attended by shareholders whose shares entitle them to more than 1/2 of the total number of votes. If the Meeting has no quorum, then a repeated Meeting shall be convened within 15 days and it shall be entitled to adopt resolutions on the agenda items regardless of the number of shareholders present thereat.

6.2. The shareholders attending the General Meeting of Shareholders (both, in person or by proxy) shall be registered upon signature in the shareholders' attendance list, in which the number of shares held by each shareholder shall be specified.

6.3. The shareholders of the Company may vote in advance on items on the agenda of the General Meeting of Shareholders pursuant to procedures under the Law of Stock Companies of the Republic of Lithuania.

6.4. The Chairman and the Secretary of the Meeting, and at least one representative of the shareholders authorized/ appointed by the Meeting shall sign the Minutes of the General Meeting of Shareholders not later than within 3 business days following the date of the Meeting. Shareholders entitled to, at least, 1/20 of the total number of votes may appoint their representative to sign the Minutes of the General Meeting of Shareholders. For the purpose, the shareholders are to submit a relevant request (with their signatures appended thereto) to the Chairman of the Meeting. A representative appointed/ authorized to sign the Minutes may submit in writing his/her comments on or opinion about the facts presented in the Minutes.

6.5. The shareholders' attendance list, proxies, ballots of shareholders who voted in advance and documents evidencing that the shareholders have been notified of the convening of the General Meeting of Shareholders shall be appended to the Minutes of the General Meeting of Shareholders.

## **7. CONVENING OF THE GENERAL MEETING OF SHAREHOLDERS**

7.1. The General Meeting of Shareholders shall be convened by a decision of the Board of Directors under the procedure established by the Law of Stock Companies. The General Meeting of Shareholders is to be convened by a decision of the General Manager if the Board of Directors of the Company fails to convene a General Meeting of Shareholders in the cases and pursuant to the procedure under the Law of Stock Companies of the Republic of Lithuania.

The General Meeting of Shareholders may be convened by a decision of the shareholders holding more than 1/2 of total votes if the initiators of the convening of the Meeting have failed to get a favourable decision of the Company's Board of Directors regarding the convening of the General Meeting of Shareholders. Regular General Meetings of Shareholders shall be convened annually within four months following the close of the financial year.

7.2. An extraordinary General Meeting of Shareholders shall be convened if:

- 1) the Company's equity capital has dropped below 3/4 of the authorized capital specified in the bylaws;

- 2) the number of members in the Board of Directors has declined (because of retirement or incapacity to continue to hold office) to 2/3 their number specified in the Company's bylaws or has become less than their minimum number prescribed by the laws of the Republic of Lithuania;
- 3) the audit company terminates its agreement with the Company or for any other reasons is incapable of auditing the annual financial statements of the Company;
- 4) such is a request of the shareholders entitled to initiate the General Meeting of Shareholders, or of the Board of Directors of the Company;
- 5) the convening of the General Meeting of Shareholders is required under other laws of the Republic of Lithuania.

7.3. The General Meeting of Shareholders shall be convened by at least 30 days' notice to the shareholders. The notice of convening of the General Meeting of Shareholders shall be given in daily "Lietuvos Rytas". The notice shall specify the name and domicile of the Company, the place, date, time and draft agenda of the Meeting, the name of the Company's governing body that has made a decision to convene the Meeting, and the names of the initiators of the extraordinary meeting, the purpose of and contemplated means of the reduction of the authorized capital - in case adoption of a resolution to reduce the authorized capital of the Company has been included into the agenda of the Meeting. Shareholders whose shares entitle them to at least 10 percent of the total number of votes shall be given notice by certified mail or courier.

The General Meeting of Shareholders may be convened in breach of the aforementioned time limit, subject to written consent of all shareholders entitled to vote.

In case a repeated General Meeting of Shareholders is convened, shareholders of the Company shall be notified thereof pursuant to the procedure under this Article hereof at least 10 days before the date of the Meeting.

7.4. Upon proposal by the shareholders entitled to at least 1/20 of the total number of votes or the Board of Directors of the Company made no later than 15 days before the General Meeting of Shareholders, the agenda of the Meeting is to be supplemented with additional items and draft resolutions, additional nominations to the Board of Directors of the Company (to be elected by the General Meeting of Shareholders), audit company.

7.5. The General Meeting of Shareholders may not adopt resolutions on the matters not included in the agenda if not all shareholders entitled to vote are present at the Meeting.

7.6. A repeated General Meeting of Shareholders may validly consider only the agenda of the adjourned Meeting. A repeated General Meeting of Shareholders shall only be entitled to adopt resolutions on the agenda of the adjourned Meeting.

## **8. THE BOARD OF DIRECTORS**

8.1. The Board of Directors shall be a collegial governing body of the Company. The Board of Directors shall be constituted of 5 members elected for a term of 3 years pursuant to the procedure under the Law of Stock Companies. The members shall elect the Chairman of the Board of Directors. Any member may be re-elected for another term of office.

8.2. The Board of Directors shall consider and approve:

- 1) the Company's structure of governance and positions of employees;
- 2) positions which may be taken only through competition and nominees to such positions;
- 3) nominees to the positions of the General Manager, Deputy General Manager - Chief Financial Officer and salaries thereof;
- 4) office regulations of the General Manager and his deputies, rules of procedure of management personnel (per structural division);
- 5) regulations of the Company's affiliates and representative offices, Rules of Procedure of the Board of Directors, Rules of Procedure of the Management Personnel;
- 6) a list of corporate commercial secrets of the Company;
- 7) procedure for further use of depreciated or unemployed long term tangible and intangible assets;
- 8) decisions to acquire long-term assets for a price exceeding 1/20 of the authorized capital of the Company;
- 9) terms of share subscription agreements;
- 10) rules of purchase of goods, services and work;
- 11) strategy of industrial, business, technological, technical, research and development, design and experimental work as well as other business activities;
- 12) all issues of organizing production and management;
- 13) sources of accumulation of financial resources and ways of their use;
- 14) annual report on the Company's activities, analyze and evaluate the financial condition of the Company; results of business activities, income and expenditure estimates, stock-taking data and other records of change of valuables;
- 15) decisions on the Company becoming the founder, member of other enterprises and decisions on the establishment and dissolution of affiliates and representative offices. Procedure for representing the shares owned by the Company in other companies;
- 16) decisions on the investment, transfer, lease (calculated individually for every type of transaction) of a portion of long-term assets the book value whereof exceeds 1/20 of the authorized capital of the Company; decisions on the pledge or mortgage (the total value of transactions shall be calculated) of a portion of long-term assets the book value whereof exceeds 1/20 of the authorized capital of the Company; decisions on the making of suretyship or guarantee

against other obligations the amount whereof exceeds 1/20 of the authorized capital of the Company; decisions to acquire/transfer the long-term assets for the price exceeding 1/20 of the authorized capital of the Company;

17) decisions on entering into:

- transactions and other agreements or instruments, if the value of the Company's financial liabilities under such transactions, agreements or instruments exceeds 200,000 Litas, as well as the vesting with the authority to conclude such transactions on behalf of the Company; the Board of Directors is authorized to authorize the General Manager and Deputies thereof by Board resolution to enter into agreements exceeding 200,000 Litas, provided that such authorization is limited (i) in time to a period not longer than twelve (12) months, and (ii) to an amount not exceeding 1,000,000 Litas for each separate agreement, safe that all agreements under such authorization shall be covered by the annual budget, and the sum of such agreements shall not exceed forty per cent (40%) of the relevant investment program budget or material expenses budget;
- any and all contracts for gas supply with suppliers of gas;
- any and all agreements for sale-purchase of real estate to the value in excess of 200,000 Litas and agreements for sale-purchase of real estate when the aggregate value of property transferred/acquired thereunder per financial year is in excess of 500,000 Litas. The aggregate value of property transferred/acquired under agreements for sale-purchase of real estate entered into without an approval of the Board of Directors per financial year cannot be in excess of 500,000 Litas;

18) natural gas transmission and distribution prices;

19) natural gas prices for the household customers;

20) decisions on issuing bonds indicating the par value of a bond, annual interest rate of bonds, fixed redemption date of bonds, from which the bondholder acquires the right to obtain from the Company the amount of money consisting of the annual interest and the par value of a bond;

21) other decisions assigned to the competence of the Board of Directors by resolutions of the General Meeting of Shareholders.

8.3. The Board of Directors shall appoint and remove the General Manager and the Deputy General Manager - Chief Financial Officer. The General Manager shall, upon the approval by the Board of Directors, appoint and remove Deputies of the General Manager. The General Manager shall have at least two Deputies. One of such Deputies shall be in charge of the gas purchase contracts, and the other - for the gas sale contracts on behalf of the Company. Candidates proposed by the General Manager to other positions subject to competitive selection shall require the approval of the Board of Directors. In proposing candidates before the Board of Directors to the positions of the Deputies of the General Manager,

the General Manager shall act on recommendations made by the Board of Directors.

8.4. The Board of Directors shall analyze, evaluate the Company's draft annual financial statements and draft appropriation of profit (loss) presented by the General Manager and together with the annual report on the Company's activities submit them to the General Meeting of Shareholders. The Board shall determine the method of estimating depreciation and depreciation rates.

8.5. The Board of Directors must hold General Meetings of Shareholders in due time, draw up the agendas of the General Meetings of Shareholders, present to the shareholders the Company's annual financial statements, the draft appropriation of profit (loss), the annual report on the Company's activities and other information required for considering the items on the agenda.

8.6. Each and every member of the Board of Directors shall have a right to initiate the convening of a meeting of the Board of Directors. A decision of the Board of Directors shall be deemed adopted if at least 4 of the members of the Board of Directors have voted in favour of such decision with the exception of cases provided in par 2 of this Article 8.6. Each member shall have one vote. The procedure for voting and adopting decisions by the Board of Directors shall be established in the Rules of Procedure of the Board of Directors.

A member of the Board of Directors shall not be entitled to vote when the meeting of the Board of Directors is taking decisions on the issue related to his work serving on the Board of Directors or to his liability.

All agreements and transactions between the Company and the shareholders shall be at any time made on terms of impartiality and in such conditions as if they were made between the unrelated parties and shall be subject to the approval of the Board of Directors.

8.7. The General Meeting of Shareholders shall elect the Board of Directors pursuant to the provisions under the laws of the Republic of Lithuania.

The proceedings of the Board of Directors shall be established in the Rules of Procedure of the Board of Directors adopted thereby.

8.8. The General Meeting of Shareholders may remove from office the entire Board of Directors *in corpore* or separate members of the Board of Directors prior to the expiry of their term. A member of the Board of Directors may resign from office prior to the expiry of his/her term upon at least 14 days' written notice to the Company. If the General Meeting of Shareholders removes a member from office or a member of Board of Directors resigns from office or for any other reasons ceases performing his/her duties and if the shareholders entitled to at least 1/10 of all votes in the Company object to the election of separate members, the operating Board of Directors is to be dismissed and a new Board of Directors is to be elected.

8.9. The General Meeting of Shareholders may remunerate members of the Board of Directors for their service on the Board of Directors only out of the profit. The amount appropriated for the annual remuneration of Directors and bonuses to employees as well as

other purposes may not exceed 1/5 of the net profit earned in the accounting financial year.

8.10. The Chairman and members of the Board of Directors shall be jointly and severally liable for losses incurred by the Company by reason of the decisions of the Board of Directors adopted in breach of the Company's bylaws and the laws of the Republic of Lithuania, except for cases under laws.

## **9. GENERAL MANAGER**

9.1. The Management Personnel of the Company shall organize the business of the Company. The General Manager shall head the Management Personnel of the Company. The General Manager shall have, at least, two deputies approved by the Board of Directors. One of such deputies shall be in charge of the gas purchase contracts, and the other - for the gas sale contracts on behalf of the Company.

9.2. In holding his office, the General Manager and his/her deputies shall act pursuant to the laws and other legal regulations of the Republic of Lithuania, the bylaws of the Company, Rules of Procedure of the Management Personnel, resolutions of the General Meeting of Shareholders, decisions of the Board of Directors and office regulations of the General Manager.

9.3. The Board of Directors shall elect and remove the General Manager and fix his remuneration. A competition may be held to choose the General Manager. The Chairman of the Board of Directors shall sign employment contracts with the General Manager and the Deputy General Manager - Chief Financial Officer. In cases where a member of the Board of Directors is elected as General Manager, an employment contract with the General Manager shall be signed by an individual authorized by the General Meeting of Shareholders. The Board of Directors must, not later than within 2 business days, notify in writing the Administrator of the Register of Legal Entities of the election or removal of the General Manager.

9.4. Transactions, the execution whereof according to these bylaws or the laws of the Republic of Lithuania require a relevant decision or approval of the Board of Directors of the Company, may be executed by the General Manager exclusively based on a relevant decision or approval of the Board of Directors of the Company.

Gas purchase agreements on behalf of the Company to be effective shall be signed jointly by the General Manager of the Company and the Deputy General Manager as determined by the Board.

9.5. The General Manager shall:

- 1) with discretion, perform functions that the Board of Directors shall assign thereto, carry out resolutions adopted by the General Meeting of Shareholders, manage day to day business affairs of the Company;
- 2) represent the Company before state authorities and governmental agencies, courts and arbitration, and in relations with third parties;

- 3) issue powers of attorney to perform functions that fall within his/her scope of authority;
- 4) open and close bank accounts;
- 5) hire and dismiss Deputy General Managers, other employees of the Company, except for the Deputy General Manager - Chief Financial Officer, conclude employment contracts therewith;
- 6) submit the prices applicable to the transmission, distribution of gas as well as gas price applicable to the household consumers as approved by the Board of Directors of the Company to the National Control Commission for Prices and Energy;
- 7) present to the Board of Directors:
  - (i) quarterly reports on the economic status of the Company, including profit and loss accounts (actual as well as planned results), gas purchased and sold, prices and total amount of revenues (actual and planned results), as well as forecasts, liquid funds and cash flow;
  - (ii) draft financial statements and draft distribution of profit (loss), material about the Company's activities, transactions, financial condition, business results;
  - (iii) documents necessary for meetings of the Board of Directors;
- 8) must ensure protection and augmentation of the assets of the Company, normal working conditions, protection of commercial secrets;
- 9) the General Manager shall be responsible for the delivery to the Administrator of the Register of Legal Entities of documents and information about the Company in the cases, pursuant to the procedure for and on the terms under law.

9.6. The General Manager shall, acting within his/her scope of authority, be entitled to issue general powers of authority pursuant to the procedures under legal acts of the Republic of Lithuania.

9.7. If the General Manager or his/her deputies has executed a transaction beyond the scope of his/her competence and exceeding normal business risk or performed any other unauthorized act and caused damage (inclusive of lost income) thereby or derived direct or indirect benefit therefrom at the expense of the Company or its shareholders, the Company and the shareholders of the Company shall be entitled to claim by any court proceedings the indemnification for the damage incurred in connection with any such transaction or act (including lost income).

9.8. Having executed a transaction beyond his/her competence, the General Manager and his/her deputies shall be jointly and severally liable if a third party's claim is not fully satisfied by the Company.

## **10. PROCEDURE FOR GIVING NOTICES**

10.1. In cases under the Law of Stock Companies, other laws of the Republic of Lithuania and these bylaws, notices shall be given pursuant to the procedure under the laws and the bylaws of the Company.

10.2. Any and all notices to be publicly announced in a daily in accordance with legal acts shall be announced in the daily "Lietuvos Rytas". The notice of convening of the General Meeting of Shareholders shall be announced in the daily "Lietuvos Rytas" and shall be sent by registered mail to shareholders whose shares entitle them to at least 10 percent of the total number of votes.

## **11. PROCEDURE FOR MAKING CORPORATE DOCUMENTS AND OTHER INFORMATION AVAILABLE TO THE SHAREHOLDERS**

The shareholders of the Company shall be provided with corporate documents and other information pursuant to procedures under the Law of Stock Companies of the Republic of Lithuania.

## **12. MISCELLANEOUS**

These bylaws shall take effect as of the date of registration hereof.

The bylaws may be amended pursuant to the procedure under the laws of the Republic of Lithuania.

Signed on 22 April 2009

On behalf of the Company:

\_\_\_\_\_  
General Manager Viktoras Valentukevicius