

The Draft Decisions of the Extraordinary General Meeting of Shareholders to be held on the 5th of October, 2009

1. On the election of the person who is in charge of implementation of the second and third parts of the Article 22 of the Law on Companies.

1.1. Elect Ignas Krasauskas, the Director of Legal Department of City Service AB, as the person who is in charge of implementation of the second and third parts of the Article 22 of the Law on Companies.

1.2. Obligate the elected person to perform the duties established in the fifth part of the Article 26² of the Law on Companies.

2. On prolongation of the tenure of the Board Members of City Service AB for a new Board term.

2.1. Considering the fact that City Service AB (hereinafter also referred to as - "the Company") Board term expires on the 6th of October, 2009, to prolong tenure of the Company's Board members - Andrius Janukonis, Arūnas Mačiutis, Gintautas Jaugielavičius, Darius Leščinskas for the new 4 (four years) term and elect above mentioned persons as the Company's Board members till the 6th of October, 2013.

3. On approval of the audit company for the performance of the audit of the Company's and the Company's set of financial statements for the year 2009 and for the evaluation of the Company's annual report.

3.1. To elect Ernst & Young Baltic UAB, company code 110878442, as the audit company which shall perform the Company's and the Company's consolidated set of financial statements audit for the year 2009 and shall evaluate Company's annual report.

4. Establishment of the payment conditions for the audit services.

4.1. Determine that the Company shall pay for the audit of Company's and Company's consolidated set of financial statements of year 2009 and for the evaluation of Company's annual report services EUR 50,000 (fifty thousands of euro), excluding VAT. The settlement for the audit services shall be made in national currency - litas following the official rate of litas and euro, published by bank of Lithuania on the day of issuing the bill.

4.2. To authorize the Company's General Manager to conclude and sign the agreement for the audit services with Ernst & Young Baltic UAB and on his own discretion settle the other conditions of audit services agreement, also conclude and sign other related documents and perform other actions in order to fulfill duly audit.

5. On supplementation of the Company's classification of economic activities with the new activities and renewal of Company's Articles of Association in accordance to the new edition of Law on Companies.

5.1. Supplement the second paragraph "the Company's objectives and activities" of Articles of Association by adding the following activities from NACE classification:

- Service activities incidental to land transportation (52.21);
- Maintenance of park places (52.21.20);
- Maintenance of equipment that regulate transport (52.21.30);
- Maintenance of streets, roads, bridges, tunnels (52.21.40);

Maintenance of railways (52.21.70);
Technical and vocational secondary education (85.32);
Other education n.e.c. (85.59);
Educational support activities (85.60).

5.2. Considering the supplemented list of economic activities and the amendments of Law on Companies that entered into force on the 31st of July, 2009, approve new version of the Company's Articles of Association and present the wording in the annex to the minutes of the Extraordinary General Shareholders Meeting.

5.3. Commit the Company's General Manager to sign changed version of Company's Articles of Association and perform other actions in order to register the new version of Articles of Association in register of enterprises of Lithuania.

6. On decision to increase the authorized share capital of the Company from shareholders' additional contributions.

6.1. Considering the fact that the shareholders of the Company pursue expand Company's activity and obtain funds for the acquisitions of new facility management companies, shareholders of the Company decide to increase the authorized share capital of City Service AB from LTL 19,110,000 (EUR 5,534,638) to LTL 31,610,000 (EUR 9,154,888) by issuing 12,500,000 new ordinary registered shares with nominal value of LTL 1.00 (EUR 0,29) each.

6.2. Grant the pre-emptive right for the Company's shareholders that own Company's shares on the end of the record day of this General Shareholders Meeting to acquire new issued shares proportionally to the nominal value of the owned Company shares.

6.3. The payment for new emission shares shall be done in cash contributions.

6.4. Authorize and commit the Board of the Company to determine the final issue price of one new emission share considering the following principles and order: 1) Calculate weighted average of the Company's share market price that existed in the Official list of NASDAQ OMX Vilnius stock exchange within the last 12 (twelve) months before the day of this General Shareholders Meeting; 2) On the Board discretion decrease calculated weighted average of the Company's share market price not more than 30 (thirty) percent.

6.5. Authorize and commit the Board of the Company following the decision and applicable law settle all other new share emission conditions that are not defined by this General Shareholders Meeting, including but not limited to determination of the final issue price of one new emission share, determination of new share emission distribution period and conditions, determination of new share emission subscription order and terms, determination of new share emission payment terms and order.

6.6. Authorize and commit the Board of the Company following the decision and applicable law to prepare, approve and submit to Lithuanian Securities Commission for the approval the Company's new share emission prospectus.

6.7. In case some of the Company's shareholders do not use their pre-emptive right to acquire the new shares of the Company within the subscription period determined by the Board of the Company and appropriate amount of new shares are not subscribed (or is not paid under the determined order), the shareholders of the Company grant the right to the Company's controlling shareholder – Rubicon group UAB, code 300021944, – subscribe and pay remained unsubscribed (or not paid under the determined order) new emission shares for the same issue price that was offered to all shareholders of the Company.

6.8. To combine the new issue of shares with the current issue of the Company's shares, which are listed in Vilnius Stock Exchange (ISIN code LT0000127375), simultaneously granting the possibility to the owners of the new shares to trade in NASDAQ OMX Vilnius Stock Exchange.

6.9. Considering the share capital increase, after all necessary actions for increase of share capital shall be performed, amend clauses 3.1. and 3.2. of Articles of Association of the Company by indicating the increased share capital and the new number of shares of the Company and register the changes in register of enterprises of Lithuania.

Public company
City Service

ARTICLES OF ASSOCIATION

1. GENERAL PROVISIONS

- 1.1. Public company City Service (hereinafter referred to as the "Company") is a private legal entity of limited civil liability engaged in activities that are not prohibited by the laws of the Republic of Lithuania, able to acquire on its behalf and have rights and obligations, able to be a plaintiff and a respondent in court, having commercial, economic, financial, organisational, and legal independence, and adhering to these articles of association (hereinafter referred to as the "Articles of Association"), the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, and other laws and legal acts of the Republic of Lithuania.
- 1.2. The Company is answerable for its obligations to the extent of the assets owned by the Company. The Company is not answerable for the liabilities of its shareholders and its shareholders are not answerable for the liabilities of the Company. The shareholders do not have any other obligations to the Company save for the obligation to pay for, in the established manner, all shares subscribed at their issue price.
- 1.3. The Company's authorised capital is divided into parts called shares.
- 1.4. The name of the Company is **public company City Service**.
- 1.5. The registered address of the Company is: **Konstitucijos av. 7, Vilnius, Republic of Lithuania**.
- 1.6. Legal status of the Company: **public company (limited liability legal person)**.
- 1.7. The Company is established for an unlimited time period.
- 1.8. The financial year of the company is the calendar year, i.e., a period of 12 months starting 1 January and finishing 31 December.

2. COMPANY'S OBJECTIVES AND ACTIVITY

- 2.1. The main objective of the Company's activity is to pursue and develop on its own choice any non prohibited commercial, economical, financial and industrial activity in a more efficient and productive way in order to gain benefit.
- 2.2. The objectives of Company's activities:
 - 2.2.1. to render buildings (facility) management services;
 - 2.2.2. to render maintenance services of engineering systems (heat and hot water supply, water supply and sewerage, ventilation and cooling, maintenance of power supply systems, etc.);

- 2.2.3. to provide services of technical facility audit, to consult on the issues of technical service and usage of energy resources;
 - 2.2.4. to manage energy resources effectively;
 - 2.2.5. to manage supervision and control of various subcontractors (operated on interior and exterior cleaning, security, repair works and renovation, maintenance of gas supply systems, elevators, etc.);
 - 2.2.6. to manage and exercise renovation projects of buildings and heating facility;
 - 2.2.7. to render security and healthcare services for employees, and to perform the quality control of provided services.
 - 2.2.8. to perform debts exaction and render the services of exacting debts;
 - 2.2.9. to render courier services;
 - 2.2.10. to render other services.
- 2.3. The main Company's activities on NACE classification:
- Repair of fabricated metal products, machinery and equipment (33.1);
 - Sewerage (37.00);
 - Collection of non-hazardous waste (38.11);
 - Treatment and disposal of non-hazardous waste (38.21);
 - Remediation activities and other waste management services (39.00);
 - Construction of residential and non-residential buildings (41.20);
 - Repair, restoration and reconstruction of buildings (41.20.20);
 - Construction of utility projects for fluids (42.21);
 - Construction of utility projects for electricity and telecommunications (42.22);
 - Construction of other civil engineering projects n.e.c. (42.99);
 - Demolition (43.11);
 - Site preparation (43.12);
 - Electrical installation (43.21);
 - Installation of electrical system in buildings and constructions (43.21.10);
 - Installation of fire-alarm and security signal (43.21.20);
 - Aerials, connections systems installation (43.21.30);
 - Plumbing, heat and air conditioning installation (43.22);
 - Other constructions' installation (43.29);
 - Building completion and finishing (43.3.);
 - Plastering (43.31);
 - Joinery installation (43.32);
 - Floor and wall covering (43.33);
 - Painting and glazing (43.34);
 - Other building completion and finishing (43.39);
 - Roofing activities (43.91)
 - Other specialized construction activities n.e.c. (43.99);
 - Maintenance and repair of motor vehicles (45.20);
 - Transport via pipeline (49.50);
 - Warehousing and storage (52.10);
 - Service activities incidental to land transportation (52.21);
 - Maintenance of parkings (52.21.20);
 - Maintenance of equipment that regulate transport (52.21.30);
 - Maintenance of streets, roads, bridges, tunnels (52.21.40);
 - Maintenance of railways (52.21.70);
 - Other postal and courier activities (53.20);
 - Other publishing activities (58.19);
 - Computer programming activities (62.01);
 - Computer consultancy activities (62.02);
 - Computer facilities management activities (62.03);
 - Other information technology and computer service activities (62.09);

Data processing, hosting and related activities (63.11);
Renting and operating of own or leased real estate (68.20);
Management of real estate on a fee or contract basis (68.32);
Legal activities (69.10);
Accounting, bookkeeping and auditing activities; tax consultancy (69.20);
Business and other management consultancy activities (70.22);
Technical testing and analysis (71.20);
Advertising agencies (73.11);
Media representation (73.12);
Market research and public opinion polling (73.20);
Other professional, scientific and technical activities n.e.c. (74.90);
Renting and leasing of cars and light motor vehicles (77.11);
Renting and leasing of construction and civil engineering machinery and equipment (77.32);
Security systems service activities (80.20);
Combined facilities support activities (81.10);
General cleaning of buildings (81.21);
Other building and industrial cleaning activities (81.22);
Other cleaning activities (81.29);
Landscape service activities (81.30);
Office administrative and support activities (82.1);
Activities of call centers (82.20);
Business support service activities n.e.c. (82.9);
Activities of collection agencies and credit bureaus (82.91);
Technical and vocational secondary education (85.32);
Other education n.e.c. (85.59);
Educational support activities (85.60);
Exploitation of sport equipment (93.11);
Activities of business, employers and professional membership organizations (94.1);
Repair of computers and peripheral equipment (95.11);
Repair of communication equipment (95.12);
Repair of furniture and home furnishings (95.24).

- 2.4. The Company also can manage any other legal economical (commercial) activity that is not mentioned in articles 2.1. - 2.3.
- 2.5. The Company will manage licensed or determinate activity only after getting appropriate licenses or permits.
- 2.6. In articles 2.1. -2.3. there are nothing that could limit the Company's right to do non-commercial activity, including, to do activities and (or) make contracts which do not make profit or do not get incomes or benefit, or Company's right to change, to suspend or discontinue its activity.

3. AUTHORISED CAPITAL AND SHARES

- 3.1. The authorised capital of the Company is **19,110,000** (nineteen million one hundred and ten thousand) litas.
- 3.2. The authorised capital is divided into **19,110,000** (nineteen million one hundred and ten thousand) ordinary registered book-entry shares. The nominal value of one share is one litas.
- 3.3. The procedure and terms for payment of the shares are specified in the share subscription agreements.
- 3.4. The authorised capital of the Company may be increased or decreased according to the decision of the general meeting. The authorised capital of the Company is considered increased or decreased only after the amended articles of association are registered at the Register of Legal Entities.

- 3.5. The shares of the Company are book-entry shares. The owner of a book-entry share (a shareholder) is an individual in whose name a personal securities account is opened, unless otherwise provided by exceptions in the law. The personal securities accounts of the Company's shareholders are administered pursuant to the procedure established in the legal acts that regulate the securities market.
- 3.6. The amount of authorised capital is equal to the sum of the nominal values of all the subscribed shares of the Company.
- 3.7. If the authorised capital of the Company becomes smaller than ½ of the amount of the authorised capital specified in the Articles of Association, no later than within 3 (three) months from the day when the board becomes aware or should have become aware of this situation, the board must organise a general meeting at which issues regarding the decision of how to cover losses from the shareholders' contributions, reduce the authorised capital, or liquidate the Company must be discussed. The situation in the Company must be remedied no later than within 6 (six) months from the day when the board becomes aware or should have become aware of the situation.
- 3.8. If at the general meeting a decision regarding remedy of the situation is not adopted or the situation has not been remedied within 6 (six) months from the day when the board becomes aware or should have become aware of the situation, the board no later than 2 (two) months after the general meeting must apply to court regarding the reduction of the authorised capital by the amount that the shareholder's capital became smaller than the authorised capital, but if after such a reduction the authorised capital would be smaller than the minimal amount of authorised capital allowed by the Law on Companies of the Republic of Lithuania, then the reduction must be made to the minimal established amount of authorised capital. After the court decision concerning the reduction of authorised capital comes into force, the board must change the amount of authorised capital and the number of shares and/or the nominal value of the shares specified in the Articles of Association and annul the shares.

4. RIGHTS OF THE SHAREHOLDERS

- 4.1. Shares are securities that certify their owner's (shareholder's) right to participate in managing the Company if it is not provided otherwise by the law, the right to receive a dividend, the right to a part of the Company's assets after the liquidation of the Company, and other rights prescribed in the law.
- 4.2. The shareholder has the following property rights:
 - 4.2.1. to receive a part of the Company's profit (dividend);
 - 4.2.2. to receive a share of the assets of the Company in liquidation;
 - 4.2.3. to receive funds from the Company, if the authorised capital of the Company is decreased in order to pay off funds of the Company to the shareholders;
 - 4.2.4. to receive shares without payment if the authorized capital is being increased out of the Company's funds, except in cases provided for by the laws;
 - 4.2.5. to have the pre-emption right, except in cases when the General Meeting decides to withdraw for all shareholders the pre-emption right, in acquiring the Company's newly issued shares;
 - 4.2.6. to lend funds to the Company in ways prescribed by laws, but when borrowing from its shareholders, the Company may not offer its assets to the shareholders as collateral. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks in the place of residence or business of the lender, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from settlement of a higher interest rate;
 - 4.2.7. other property rights prescribed by the Laws.
- 4.3. The shareholder has the following non-property rights:

- 4.3.1. to attend the General Meetings;
 - 4.3.2. to vote at the General Meetings according to voting rights carried by their shares;
 - 4.3.3. to receive information about the Company as provided for in the Law on Companies of the Republic of Lithuania;
 - 4.3.4. to address the court claiming compensation for damage caused as a result of nonfeasance or malfeasance by the Manager of the Company of his duties prescribed by the Law on Companies of the Republic of Lithuania and by other laws and these Articles of Association as well as in other cases provided for by laws;
 - 4.3.5. give any questions to the Company, relating to the agenda of general meetings of shareholders in advance;
 - 4.3.6. other non-property rights prescribed by the laws of the Republic of Lithuania.
- 4.4. A right to vote at General Meetings may be prohibited or restricted in cases provided for in the Law on Companies of the Republic of Lithuania and other laws and in case of a dispute regarding the ownership right to the share.
- 4.5. Each share of the Company shall grant one vote at the General Meeting. The right to vote at the General Meetings convened after the expiry of the time limit for payment for the first issue of shares shall be granted only by fully paid shares.

At a shareholder's written request, the Company shall within 7 days after the receipt of the request grant him access to information and/or submit to him copies of the following documents: the Articles of Association of the Company, the set of financial statements, auditor's opinion and audit reports, minutes of general meetings, minutes of meetings and other documents in which the decisions of the general meetings are included, board members' recommendations and responses to the general meetings, lists of shareholders and board members, other company documents that must be publicly accessible by law, and minutes of board meetings or other documents in which the decisions of the aforementioned company bodies have been recorded, unless the following documents are related to the Company's commercial (industrial) secrets and confidential information

- 4.6. A shareholder or a group of shareholders who holds or controls more than ½ of the shares has the right of access to all Company documents upon giving the Company a written pledge in the form prescribed by the company not to disclose the commercial/industrial secret, confidential information.
- 4.7. Company documents, their copies, or other information is to be furnished to shareholders free of charge.
- 4.8. The Company may refuse to enter into a shareholder access, and (or) to make copies of the documents if there is no possibility the shareholders' identity to be determined. At a shareholder's request, the company must execute in writing its refusal to submit documents. Disputes relating to the shareholder's right to information are settled in court.
- 4.9. The shareholders may have other rights that are not listed in the Articles of Association if they are prescribed by the law of the Republic of Lithuania.

5. BODIES OF THE COMPANY

- 5.1. The following are the corporate bodies of the Company:
 - 5.1.1. general meeting;
 - 5.1.2. board;
 - 5.1.3. manager of the company (a single person corporate body).
- 5.2. The Company has no supervisory board.
- 5.3. The corporate bodies must act only for the benefit of the Company and its shareholders and observe the laws of the Republic of Lithuania, other legal acts, and these Articles of Association.

Powers of the General Meeting:

- 5.4. The General Meeting shall have the exclusive right to:
 - 5.4.1. to amend the Articles of Association of the Company except where otherwise provided by the Law on Companies;
 - 5.4.2. to select and recall the firm of auditors to perform the Company's annual set of financial statements audit, to set the conditions for auditor remuneration;
 - 5.4.3. to elect and recall the members of the Board;
 - 5.4.4. to determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
 - 5.4.5. to take the decision regarding conversion of shares of one class into shares of another class, to approve share conversion procedure;
 - 5.4.6. to approve annual set of financial statements;
 - 5.4.7. to take the decision on appropriation of the profit (loss);
 - 5.4.8. to take the decision on building up, drawing on, reduction or liquidation of the reserves;
 - 5.4.9. to take the decision to issue convertible debentures;
 - 5.4.10. to take the decision to withdraw for all shareholders the right of pre-emption in acquiring the shares or convertible debentures of a specific issue of the Company;
 - 5.4.11. to take the decision to increase the authorised capital;
 - 5.4.12. to take the decision to reduce the authorised capital except where otherwise provided for by the Law on Companies;
 - 5.4.13. to take the decision for the Company to purchase its own shares;
 - 5.4.14. to take the decision on reorganisation or division of the Company and approve the conditions of reorganisation or division;
 - 5.4.15. to take the decision to transform the Company;
 - 5.4.16. to take the decision to restructure of the Company;
 - 5.4.17. to take the decision to liquidate the Company, cancel the liquidation of the Company except where otherwise provided for by the Law on Companies;
 - 5.4.18. to elect and remove the liquidator of the Company except where otherwise provided for by the Law on Companies.
- 5.5. The general meeting has no right to assign to other corporate bodies to solve issues that are within the powers of the Meeting.

Convening the General Meeting:

- 5.6. The right to convene a general meeting is vested in the board and the shareholders who have at least 1/10 of all votes. The initiators of a general meeting submit a request to the board in which they must state the reasons and purpose for convening the general meeting and submit proposals regarding the agenda, date and venue of the meeting and drafts of the proposed decisions. The general meeting must be held within 30 days after the date of receiving the request. It is not mandatory to convene a general meeting if the request does not comply with all the requirements set forth in this clause and the required documents have not been submitted or the issues proposed for the agenda are not within the scope of powers of the general meeting. If a general meeting is not held, a repeat general meeting must be convened.
- 5.7. An annual general meeting must be held every calendar year at least four months prior to the end of the financial year.
- 5.8. An extraordinary general meeting must be convened if:
 - 5.8.1. the capital of the Company's shareholders falls below ½ of the authorised capital specified in the Articles of Association and the issue has not been discussed at the annual general meeting;
 - 5.8.2. Board members remain less than 2 / 3 of the Board members number specified in the Articles of

- Association or the number of the Board members is less than the Company statutory minimum;
- 5.8.3. the audit firm terminates its contract with the Company or is for any other reasons unable to audit the Company's annual set of financial statements;
 - 5.8.4. the convening of a general meeting is requested by the shareholders having the right to convene a general meeting or by the manager of the Company;
 - 5.8.5. it is required by the law or the Company's Articles of Association.
- 5.9. A general meeting may be convened by order of a court if:
- 5.9.1. an annual general meeting has not been convened within 4 months before the end of the financial year and at least one shareholder has brought the matter to court;
 - 5.9.2. the people having the right to convene a general meeting file a complaint with a court about the failure of the board or the manager of the company to convene a general meeting as required by the Law on Companies;
 - 5.9.3. the people who initiated the convening of a general meeting filed a complaint with a court stating that the board or the manager have not convened a general meeting at the submission of a request as required under Article 23 of the Law on Companies;
 - 5.9.4. at least one of the company creditors filed a complaint with a court about the failure to convene a general meeting when it was discovered that the company's shareholders' capital fell below ½ of the authorised capital specified in the Articles of Association;
- 5.10. The agenda of the general meeting is to be drawn up by the board of the company or, in the cases specified in paragraph 3 of Article 23 of the Law on Companies, by the manager of the company. When the general meeting is convened by a court order, the agenda is to be drawn up and submitted to the court together with other prescribed documents by the person or persons who filed the court appeal requesting that the general meeting be convened.
- 5.11. The items proposed by the initiators of the general meeting must be put on the agenda of the meeting provided that these issues are within the powers of the general meeting. The agenda of the general meeting may be supplemented by the board or shareholders who hold shares with not less than 1/20 of all votes attached to them. A proposal to supplement the agenda may be submitted no later than 15 days before the general meeting. Proposed decisions concerning the issues must also be submitted together with the proposal. The persons referred to in this clause may at any time before the general meeting or during the meeting propose new decisions concerning the items put on the agenda, nominate additional candidates to members of company bodies, or propose an audit firm in writing or by the electronic means of communication.
- 5.12. The shareholders must be notified about the supplementations of the agenda of the general meeting in the same manner in which they were given notice of the general meeting not later than 10 days before the general meeting. Only the agenda of a general meeting that was not held is valid at a repeat general meeting.
- 5.13. The board of the company, the manager, or the persons or authority that adopted the decision to convene the general meeting must present to the company the information and documents required to draw up a notice for the general meeting.
- 5.14. The notice of the general meeting must include all the information required by the Law on Companies.
- 5.15. The repeat general meeting must be convened at least 5 days and within 21 day after the day of the general meeting that was not held. The general meeting may be convened in derogation of the time limits set at the written consent of all the shareholders who hold shares conferring voting rights. The documents confirming that the shareholders have been given notice of the general meeting must be announced when opening the meeting.

Quorum of the General Meeting and Decision Making:

- 5.16. A General Meeting may take decisions and will be held valid if attended by shareholders who hold shares carrying not less than ½ of all votes. After the presence of a quorum has been established, the quorum remains continuously throughout the meeting. For the purpose of establishing the total number of votes carried by the shares of the Company and the quorum of the general meeting, the shares with voting rights prohibited by the law or a court decision and own shares purchased by the Company are considered non-voting shares. If a quorum is not present, the general meeting must be considered invalid and a repeat general meeting that is authorised to take decisions only on the issues on the agenda of the meeting that has not been held and to which the quorum requirements do not apply must be convened.
- 5.17. Every general meeting must elect a chairman and a secretary of the meeting. The election of a secretary may be dispensed with if the general meeting is attended by less than three shareholders. A chairman and a secretary shall not be elected if all shareholders attending the meeting took a written vote.
- 5.18. If a shareholder exercises his right to take a written vote, upon being presented the agenda of the general meeting and proposed decisions for scrutiny, he fills in and submits in writing by completing a general ballot paper notifying the general meeting whether he is *for* or *against* each decision. The Company must, in accordance with the Law on Companies of the Republic of Lithuania, prepare general ballot papers for voting prior to the meeting. The shareholders who take a written vote in advance must be considered as being present at the general meeting, and their votes must be included in the quorum of the meeting and the results of voting. The general ballot papers of the meetings that have not taken place are valid at repeat meetings. A shareholder is not entitled to vote at a general meeting for a decision about which he has expressed his will in advance in writing.
- 5.19. If in the cases specified by the Law on Companies of the Republic of Lithuania a shareholder is not entitled to vote when taking decisions on separate issues, the results of the voting on these separate issues must be determined according to the number of votes of the shareholders who are present at the meeting and are entitled to vote on the issue.
- 5.20. Voting at a general meeting is to be decided by a show of hands. Secret voting is mandatory for all shareholders on the issues on which at least one shareholder requests a secret vote be taken if he is supported by shareholders whose shares carry at least 1/10 of the votes at the general meeting.
- 5.21. The general meeting is not entitled to take decisions on issues that are not on the agenda, except when the meeting is attended by all shareholders who own shares conferring voting rights and no shareholder voted in writing.
- 5.22. The general meeting take the following decisions by a qualified majority vote that shall be not less than 2/3 of all the votes carried by the shares held by the shareholders attending the meeting:
- 5.22.1. to amend the articles of association of the Company, unless otherwise provided for by the Law on Companies;
 - 5.22.2. to determine the class, number, nominal value, and minimum issue price of shares issued by the company;
 - 5.22.3. to convert the company's shares of one class into shares of another class and approve the share conversion procedure;
 - 5.22.4. on the appropriation of profit/loss;
 - 5.22.5. on building up, drawing on, reducing, or liquidating reserves;
 - 5.22.6. to issue convertible debentures;
 - 5.22.7. to increase the authorised capital;
 - 5.22.8. to reduce the authorised capital except when the Law on Companies provides otherwise;
 - 5.22.9. on approving the conditions of reorganisation or division and reorganisation or division of the company;
 - 5.22.10. on the transformation of the company;

- 5.22.11. on the restructuring of the company;
 - 5.22.12. on the liquidation of the company or cancellation of company liquidation except when otherwise provided by the Law on Companies.
- 5.23. The decision to withdraw for all shareholders the pre-emption right to acquire the company's newly issued shares or convertible debentures of a specific issue requires a qualified majority vote that is not less than $\frac{3}{4}$ of all votes conferred by the shares of the shareholders present at the general meeting and entitled to decide on the issue.

The Board

- 5.24. The Board is a collegial management body of the Company. The Board shall consist of 4 (four) members elected for a term of 4 (four) years by the General meeting in accordance with the procedure provided for by the Law on Companies of the Republic of Lithuania. Only a natural person may be elected to serve on the Board. There is no limitation on the number of terms of offices a member of the Board may serve. The Board shall elect its chairman from among its members.
- 5.25. The General Meeting may remove from office the entire Board or its individual members before the expiry of their term of office. A member of the Board may resign from office prior to the expiry of his term of office by giving a written notice thereof to the Company at least 14 (fourteen) days in advance.
- 5.26. Bonuses may be paid to members of the board for their work on the board according to the procedure established in the Law on Companies.
- 5.27. The board considers and approves:
- 5.27.1. the operating strategy of the company;
 - 5.27.2. the annual report of the company;
 - 5.27.3. the management structure of the company and the positions of employees;
 - 5.27.4. the positions to which employees are recruited by holding competitions;
 - 5.27.5. regulations of branches and representative offices of the company.
- 5.28. The board elects and removes from office the manager of the company, fixes his salary and sets other terms of his employment contract, approves his job description, provides incentives for him, and imposes penalties on him.
- 5.29. The board determines which information will be considered the company's commercial (industrial) secret and confidential information.
- 5.30. The board makes the following decisions:
- 5.30.1. decisions for the company to become an incorporator or a member of other legal entities;
 - 5.30.2. decisions to open branches and representative offices of the company;
 - 5.30.3. decisions to invest, dispose of, or lease long-term assets that have a book value exceeding 1/20 of the authorised capital of the company (calculated individually for every type of transaction);
 - 5.30.4. decisions to pledge or mortgage long-term assets that have a book value exceeding 1/20 of the authorised capital of the company (calculated for the total amount of the transactions);
 - 5.30.5. decisions to offer surety or guarantee of obligations of third parties for an amount exceeding 1/20 of the authorised capital of the company;
 - 5.30.6. decisions to acquire long-term assets that cost more than 1/20 of the authorised capital of the company;
 - 5.30.7. decisions to restructure the company in the cases laid down in the Law on Restructuring of Enterprises;
 - 5.30.8. other decisions within the powers of the board as prescribed by the articles of association or the decisions of the general meeting.
- 5.31. The board is entitled to make decisions with regard to the Company specified in Clauses 5.30.3, 5.30.4, 5.30.5, and 5.30.6 without the approval of the general meeting.
- 5.32. The board analyses and evaluates documents submitted by the manager of the Company on:
- 5.32.1. the implementation of the operating strategy of the Company;
 - 5.32.2. the organisation of the activities of the Company;
 - 5.32.3. the financial status of the Company;
 - 5.32.4. the results of business activities, income and expenditure estimates, stocktaking data, and other

- accounting data of changes in the assets.
- 5.33. The board analyses and assesses the Company's draft of its annual set of financial statement and draft of its profit/loss statement and submits them to the general meeting. The board determines the methods used by the Company to calculate the depreciation of tangible assets and the amortisation of intangible assets.
 - 5.34. It is the duty of the board to convene and organise general meetings in due time.
 - 5.35. No later than 15 days prior to the general meeting, the board must prepare the Company's annual report.
 - 5.36. The procedure for the work of the board is set in the rules of procedure of the board.
 - 5.37. Every member of the board has the right to convene a board meeting. The board may adopt decisions and a meeting of the board is deemed to have taken place when the meeting is attended by more than 2/3 of the members of the board. Members of the board who vote in advance are also deemed to be present at a meeting.
 - 5.38. The decision of the board is considered accepted if there are more votes *for* the decision than *against* it.
 - 5.39. A member of the board is not be entitled to vote when the meeting of the board discusses the issue related to his work on the board or the issue of his responsibility.
 - 5.40. Minutes must be taken of the meetings of the board.

Manager of the Company

- 5.41. The manager of the company is a single-person managing body of the company. The title of the manager of the Company is the managing director (**generalinis direktorius**). The manager of the company must be a natural person. A person may not be the manager of the company if legally he is not entitled to hold this position. In his activities, the manager of the company must comply with laws and other legal acts, the articles of association of the Company, decisions of the general meeting, and his job description.
- 5.42. The Manager of the Company shall be elected and removed from office by the Board of the Company which shall also fix his salary, approve his job description, provide incentives and impose penalties. The Manager of the Company shall commence in his office after his election. The employment contract with the Manager of the Company shall be concluded and signed by the chairman of the Board or other person authorized by the General Meeting on behalf of the Company. If the body which elected the Manager of the Company takes the decision to remove him from office, his employment contract shall be terminated. Labour disputes between the manager of the Company and the Company are to be settled in court. The person who with the authorisation of the Company selected a manager for the Company or removed the manager from office must within 5 days notify the manager of the Register of Legal Entities of the selection or removal from office of the manager of the Company or of the expiry of his contract for other reasons.
- 5.43. The manager of the company is responsible for:
 - 5.43.1. organisation of activities and the implementation of objects of the Company;
 - 5.43.2. drawing up of the annual set of financial statements and the drafting of the annual report of the Company;
 - 5.43.3. conclusion of the contract with the firm of auditors;
 - 5.43.4. submission of information and documents to the General Meeting and the Board in cases laid down in the Law on Companies or at their request;
 - 5.43.5. submission of documents and particulars of the Company to the manager of the Register of Legal Entities;
 - 5.43.6. submission of the documents of a public limited liability company to the Securities Commission and the Central Securities Depository of Lithuania;

- 5.43.7. public announcement of the information specified in the Law on Companies in the daily newspaper "Lietuvos rytas";
- 5.43.8. submission of information to the shareholders;
- 5.43.9. the fulfilment of other duties laid down in the Law on Companies and other legal acts as well as in the Articles of Association of the Company and the job description of the Manager of the Company.
- 5.44. In his activities, the Manager of the Company shall comply with laws and other legal acts, the Articles of Association of the Company, decisions of the General Meeting and his job description.
- 5.45. The Manager of The Company shall act on behalf of the Company and shall be entitled solely as to transactions.
- 5.46. The Manager of the Company shall be entitled, within the limits of his powers, to issue procuracies by executing them in accordance with the procedure prescribed by the legal acts of the Republic of Lithuania.

6. NOTIFICATION PROCEDURE OF THE COMPANY

- 6.1. Notices are provided in the cases specified in the Law on Companies and the laws of the Republic of Lithuania according to the procedures established in the Law on Companies and the laws.
- 6.2. All notices according to the Law on Companies and other laws must be published in **the daily Lietuvos Rytas**.
- 6.3. Decisions of the general meeting and other notices that must to be delivered to the board and the employees of the Company must be sent by registered post, fax, telex, or courier or delivered against acknowledgement of receipt.

7. DECISION-MAKING PROCEDURE REGARDING TERMINATION OF THE ACTIVITIES OF THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND APPOINTMENT AND REMOVAL OF THE HEADS OF THE COMPANY BRANCHES AND REPRESENTATIVE OFFICES

- 7.1. The Company may establish and liquidate its branches and representative offices in the Republic of Lithuania and abroad pursuant to the procedures provided in the laws of the Republic of Lithuania. The Company is responsible for the obligations of the branch or a representative office to the extent of all its assets. The number of branches and representative offices is not limited.
- 7.2. Decisions regarding the establishment or termination of the activities of the Company's branches and representative offices are made by the board of the Company. The board also appoints and withdraws managers of the branches and representative offices.
- 7.3. A branch or a representative office operates pursuant to the rules of the branch or the representative office approved by the board.
- 7.4. Having made the decision to terminate the activities of a branch or representative office, the board of the Company appoints a person who is responsible for carrying out termination procedures.

8. PROCEDURE FOR PROVISION OF COMPANY DOCUMENTS AND INFORMATION TO SHAREHOLDERS

- 8.1. At a shareholder's written request, the Company must no later within 7 days from the receipt of the request grant him access to information and/or submit to him copies of the following documents: the articles of association of the Company; the annual set of financial statement; the annual reports of the Company; the auditor's opinion and audit reports; the minutes of the general meetings and other documents with which the decisions of the general meeting, recommendations of the board, and responses to the general meeting have been executed; the register of shareholders, the list of board members, other Company documents that must legally be publicly accessible, and the minutes of board meetings or other documents with which the decisions of the aforementioned company bodies have

been executed, unless the said documents contain a commercial/industrial secret and confidential information.

- 8.2. A shareholder or a group of shareholders who hold or control more than ½ of the shares has the right of access to all Company documents upon giving the Company a written pledge in a form prescribed by the Company not to disclose any commercial/industrial secret and confidential information. The Company may refuse to enter into a shareholder access, and (or) to make copies of the documents if there is no possibility the shareholders' identity to be determined. At the shareholders' request, the Company must execute in writing its refusal to submit the documents. Disputes relating to the shareholder's right to information are to be settled in court. Information that is considered the Company's commercial/industrial secret is identified by the board (except for the public information specified by the laws of the Republic of Lithuania).
- 8.3. Company documents, their copies or other information must be furnished to the shareholders free of charge.
- 8.4. The list of shareholders presented to the shareholders must provide the full names of the shareholders, the names of legal persons, the number of registered shares owned by the shareholders, and the shareholders' addresses for correspondence according to the most recent data available to the company.

9. Procedure for amendment of the Articles of Association of the Company

- 9.1. The Articles of Association shall be amended in accordance with the procedure provided for by the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company. The Articles of Association of the Company may be amended only by the decision of the General Meeting, except for the cases when there is an effective court order to reduce the Company's authorised capital or when the right to take the decisions regarding amendment of the Company's Articles of Association has been granted to other subjects under the Law on Companies of the Republic of Lithuania and other laws. The decision regarding amendment of the Articles of Association of the Company shall be taken in the General Meeting by at least 2/3 of all votes conferred by the shares of the shareholders present at the General Meeting.
- 9.2. Following the decision taken by the General Meeting to amend the Articles of Association of the Company, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting. In case of the court order to reduce the authorised capital of the Company and provided that such court order has become effective the amended Articles of Association shall be signed by the Manager of the Company.
- 9.3. The amended Articles of Association shall become effective and may be used as the basis following registration of the amended Articles of Association with the Register of Legal Entities of the Republic of Lithuania.

The Articles of Association are signed in Vilnius on the ___th of October two thousand and nine.

General Manager

Žilvinas Lapinskas