

**By-laws of
TEO LT, AB**

Article 1. General

1.1. Status

TEO LT, AB (hereinafter referred to as the "Company") is a private legal person that is independent economically, commercially, financially, organizationally and legally and carries on its activities pursuant to these By-laws and in accordance with the laws, Government decisions and other legal acts of the Republic of Lithuania. Company's legal form is public limited liability company.

1.2. Liability

The Company is a private legal person with limited civil liability. With respect to its obligations, the Company shall be liable only to the extent of its assets. With respect to obligations of the Company, the Shareholders shall be liable only for the amounts which they must pay for the subscribed shares.

1.3. Fiscal Year

The Company's fiscal year shall be the calendar year commencing on the 1st of January and closing on the 31st of December.

1.4. Term of Company

The Company has been established for an indefinite term of duration.

1.5. Company's Name

The Company's name is: TEO LT, AB.

Article 2. Definitions

The following definitions and expressions shall have the following meanings in these By-laws:

"Annual Business Plan" shall have the meaning assigned thereto in Article 10.7. of these By-laws;

"Board" means the Board of the Company, formed in accordance with the Law on Companies of the Republic of Lithuania and these By-laws;

"Member of the Board" means any member of the Board of the Company;

"General Manager" means the head of the Company;

"General Meeting" means a general meeting of Shareholders of the Company;

"Group" or "Group Companies" means the Company together with other companies, where the Company directly and/or indirectly, holds the majority of the votes and/or where the Company may directly or indirectly exercise a dominant influence on those companies and "Group Company" means any one of them;

"Shareholder" shall mean any shareholder of the Company;

Article 3. Branches and Representative Offices of the Company

3.1. Establishment of Branches and Representative Offices

The Company shall establish its branches and representative offices as well as terminate activity thereof by decisions of the Board.

3.2. Status of Branches

A branch shall be a structural subdivision of the Company having its registered office and performing all or part of the Company's functions. Branches shall not be legal persons. The Company shall be liable for the obligations of the branches and the branches shall be liable for the obligations of the Company. The appointment and dismissal of heads of branches shall be approved by the Board. The branch shall act in accordance with the regulations approved by the Board.

3.3. Status of the Representative Offices

The representative office shall be a subdivision of the Company having its registered office and having the right to represent the Company's interests and defend them, make transactions and carry out other actions on behalf of the Company. The representative office shall not be a legal person. The appointment and dismissal of heads of representative offices shall be approved by the Board.

Article 4. Aims and Subject of Activity of the Company

4.1. Aims of Activity of the Company

The main aims of Company's activities are: to increase Shareholder's value, promoting consumption of services (including without limitation telecommunication services) and products as well as creating new services (including without limitation telecommunication services) and products, to increase productivity of activity and work effectiveness, strive for profit as well as to assure interests of the Company and its Shareholders.

4.2. The Company can engage in any legal economical and commercial activity, including without limitation to:

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| (1) | 60.10 | translation of radio broadcast; |
| (2) | 61.10 | activity on services re cable connections; |
| (3) | 61.20 | activity on services re wireless connections; |
| (4) | 61.30 | activity on services re satellite connections; |
| (5) | 95.12.10 | technical maintenance of communication systems; |
| | | – provision of switched international, long distance and local telephone services; |
| | | – provision of switched services relating to the transmission of international telephone communication flows; |
| | | – provision of switched services relating to data transmission; |
| | | – provision of switched international, long distance and local telegraph services; |

		– establishing and operating of common telecommunication networks;
		– building and maintenance of the following facilities radiating electromagnetic waves:
		– wire radio and cable television networks intended to satisfy own needs and the needs of other legal or natural persons (other than the owner of network);
		– common networks of mobile radio communications;
		– facilities of satellite transmission;
		– operation of communication lines of national significance and ensuring the functioning of such facilities;
(6)	43.21.30	installation of antennas and communication systems;
(7)	43.21.10	installation of electric networks of buildings and constructions;
(8)	42.22	communal electricity and telecommunications' buildings' construction works;
(9)	43.99	other specialized construction works not ascribed elsewhere;
(10)	77.39.60	lease of radio and television equipment;
(11)	77.39.70	lease of communications equipment;
(12)	77.39.80	lease of metering and control equipment;
(13)	62.02	consultations relating to computers;
(14)	62.09	other activity on services re information technologies and computers;
(15)	62.01	activity on issuance of software;
(16)	62.09	other activity on services re information technologies and computers;
(17)	63.11	data processing, services in relation to internet and other related services;
(18)	95.11	repair of computers and other equipment;
(19)	71.20.60	checking and calibration of metering means;
(20)	82.99	other business activities not ascribed elsewhere;
(21)	46.43	wholesale trade in electric household appliances and devices;
(22)	47.43	specialized retail trade in household electric appliances or devices;
(23)	47.41	specialized retail trade in office equipment, computers and software;
(24)	47.99	other types of out-of-shop retail trade;
(25)	58.11	publication of books;
(26)	73.11	activity of advertising companies;
(27)	55.20.10	activities of holiday homes;
(28)	55.20.20	activities of children's holiday camps;
(29)	55.10	activity re hotels and other temporary lodgment;
(30)	56.10	activity re restaurants and rendering of prepared food;
(31)	56.29	rendering of other services re nourishment ;
(32)	77.21.40	lease of sports equipment;
(33)	93.12	activities of sports clubs;
(34)	96.04	activities of insurance of physical welfare;
(35)	93.13	activities of health centers;
(36)	91.02	activities of museums;
(37)	91.03	exploitation of historical locations and buildings and other resort places ;
(38)	49.41	transport of road trucks;
(39)	49.39	other land passengers' transport;
(40)	68.20	lease and exploitation of owned or leased real property;
(41)	77.11	lease and leasing of cars and other motor vehicles;
(42)	47.42	other retail trade of telecommunication devices in specialized stores;
(43)	47.78.90	other specialized retail trade;

(44)	85.32	technical and professional teaching;
(45)	85.59	other teaching not ascribed elsewhere;
(46)	46.72	wholesale trade in metal and metal ore;
(47)	46.77	wholesale trade in scrap metal and waste;
(48)	64.91	leasing;
(49)	70.22	business and other management consultancy;
(50)	78.30	other provision of job services;
(51)	71.12	architectural/engineering activities and related technical consultancy;
(52)	58.19	printing not ascribed elsewhere.

The Company seeking its aims can also engage in activity other than specified above, unless it contradicts laws of the Republic of Lithuania.

4.3. Licenses and Permits

Activities that are subject to licensing or any other activity specifically regulated under the laws of the Republic of Lithuania may only be carried out by the Company upon obtaining the required licenses or permits.

Article 5. Authorized Capital of the Company

5.1. The Authorized Capital

(1) The authorized capital of the Company is 776,817,518 (seven hundred seventy six million eight hundred seventeen thousand five hundred eighteen) Lit.

(2) The authorized capital of the Company is divided into 776,817,518 (seven hundred seventy six million eight hundred seventeen thousand five hundred eighteen) Ordinary Registered Shares of 1 (one) Lit. par value.

(3) The Company's shares shall be uncertificated. They shall be evidenced by entries in personal securities accounts to be set up and kept in the custody meeting the requirements, set in the regulatory enactments.

5.2. Administration of Securities Accounts

(1) The securities accounts of the Company's shares shall be administered by the entities specified in the Law on Markets in Financial Instruments of the Republic of Lithuania (hereafter – account administrators).

(2) The Company shall be entitled to be provided by the account administrators, according to the procedure established by the regulatory enactments regulating the accounting of securities and trading in securities, information about the registered shares of the Company recorded in the securities accounts administered by them, the Shareholders' lists and data relating to them.

(3) Each Shareholder shall, on written request, be entitled to receive from the account administrator, who has opened the securities account of the shareholder an extract from his/her securities account, specifying the number of shares and other information on the shares, defined in the regulatory enactments.

Article 6. Rights of Holders of Ordinary Registered Shares and the Means of Exercising Such Rights

6.1. Voting Rights

(1) Only fully paid-up ordinary registered shares shall entitle their holders to vote at the General Meeting. Each Ordinary Registered Share, except as otherwise provided by laws and by these By-laws, shall entitle its owner to one vote at the General Meeting.

6.2. Limitation of the Rights of Shareholders

Property and non-property rights of Shareholders can be limited only in the cases specified by laws or by court order.

6.3. Dividends

(1) Dividend shall be a part of profit designated for a Shareholder in proportion to the par value of the shares owned by him. If a share has not been paid up in full and its payment term is not expired, the Shareholder's dividend shall be reduced proportionally to the outstanding amount of the share price. If a share has not been paid up in full and its payment term is expired, the dividends shall not be paid. Persons who on the end of record of the rights of the date of the General Meeting that announced the dividends are the Shareholders of the Company or have the right to dividends on another legal basis shall be entitled to receive dividends. Dividends shall be paid to Shareholders during the period stipulated for the payment of dividends by the Company, but no earlier than 15 (fifteen) days and no later than 1 (one) month from the date of the decision of General Meeting in respect of the profit distribution. Payment of dividends in advance shall be prohibited.

(2) Dividends declared by decision of the General Meeting shall be an obligation of the Company with respect to the Shareholders. A Shareholder, as a creditor of the Company, shall have the right to demand from the Company to pay the dividend thereto. The Company may reclaim and recover the dividend paid out to a Shareholder in the event that the Shareholder knew or should have known that the declared and/or paid dividend was unlawful.

(3) The General Meeting shall be prohibited from declaring and paying dividends in the event one of the following conditions can be applicable:

- a) the Company is insolvent or would become insolvent after the payment of dividends;
- b) the distributable amount of profit (loss) of the reporting Fiscal Year is negative (there are losses);
- c) the Company's own capital is or after payment of the dividends would become less than the amount of the authorized capital, reserves that may not be distributed, reappraised reserves and the reserves for purchasing of own shares.

(4) The Company shall pay out dividends in cash.

6.4. Presentation of the Company's Documents and Other Information to the Shareholders

Upon a written request of the Shareholder, the Company's documents and information established in the Law on Companies of the Republic of Lithuania, shall be provided to the Shareholder for familiarization and/or for copying no later than within the time period of 7 (seven) days starting from the date of receipt of the said request. The Shareholder shall be provided only those documents and information, pursuant to the procedure and conditions established for such disclosure in the Law on Companies of the Republic of Lithuania. The shareholder or group of shareholders, holding more than 1/2 of shares, who present the Company with the written undertaking not to disclose the commercial (industrial) secret of the set form shall be entitled to get familiarized with all the documents of the Company. The Shareholders entitled to get familiar with any of Company's documents or information, in order to exercise that right, shall be required to arrive in person to the Company (with an identification document, giving the possibility to inspect the title of ownership to and amount of the shares, held by the Shareholder) at the time and place agreed in advance with the General Manager of the Company or the representative of the Company authorized by the General Manager. The documents and information presented to the Shareholders for copying are chargeable. The fee is 1 (one) Litas for one copied page of a document, on condition that such fee does not exceed the costs of provision of the Company's documents and other information.

6.5. Exercise of the Voting Right

Holders of Ordinary registered shares shall be entitled to exercise their voting rights at any General Meeting if the shares that are owned by them are duly registered prior to such General Meeting.

6.6. Voting Procedures

1) The voting procedures at the General Meeting shall be the procedure set forth in the Law on Companies of the Republic of Lithuania. The shareholders, according to their rights, granted by shares are entitled to vote "in favor" or "against" in regard to the decision, proposed by the General Meeting.

2) In case the shareholders, holding the voting rights present a written request to do so, the Company shall prepare and, no later than within the time period of 10 (ten) days till the General Meeting present the general voting ballots to the shareholders, who have demanded such submission by registered mail or by hand upon signing. The detailed procedure on ballot voting shall be set by the Law on Companies of the Republic of Lithuania.

6.7. Proxies and Assignment of the Voting Rights

Shareholders shall have a right to authorize another person to vote for them at General Meetings and take any and all other legal acts. A shareholder shall be entitled to assign the right to vote at the General Meeting to another person and set the ways and procedure for execution of the voting right by the agreement on assignment of the voting right.

6.8. Scope of Liability of Shareholders

Shareholders shall have no financial obligations to the company save for the obligation to pay up, in the prescribed manner, all the shares subscribed for at their issue price. In case the decision of the General Meeting obliges to indemnify for the loss of the Company by additional contributions by the shareholders, the contributions shall be paid by the shareholders who have voted "in favor". The shareholders, who have not participated in the General Meeting or voted "against" in regard to the decision in question shall be entitled to non-payment of the additional contributions.

6.9. Other Rights

Shareholders shall have property and non-property rights and obligations in addition to those specified in the By-laws provided for in the laws and other legal acts of the Republic of Lithuania.

Article 7. The Bodies of the Company

7.1. The bodies of the Company shall be:

- (1) General Meeting;
- (2) Board;
- (3) General Manager.

7.2. Supervisory Council

The Company shall not have a Supervisory Council.

Article 8. The General Meeting

8.1. Status of General Meeting

The decisions of the General Meeting, which are referred to as decisions, made regarding the matters provided in Article 8.2, shall be binding upon the Shareholders, the Board, General Manager and other officials of the Company. The Shareholders of the Company that at the end of the date of record of the General Meeting are Shareholders of the Company shall have the right to participate in the General Meeting. The date of record of General Meeting of the Shareholders of the Company shall be the 5th (fifth) business day prior to the General Meeting or the repeated General Meeting. The person, participating in the General Meeting and having the right to vote shall deliver his/her identification proving document. In case the person is not a shareholder he/she is to present a document, proving his/her right to vote at the General Meeting

8.2. Competence of General Meeting

The General Meeting shall have exclusive competence over the following matters:

- (1) to amend and supplement the By-laws of the Company, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- (2) to change the registered office address of the Company;
- (3) to elect the Members of the Board;
- (4) to recall the Board or its members;
- (5) to elect and recall the auditor company, set the conditions for remuneration for audit services;
- (6) to set the class, amount, nominal value and the minimum price of emission of shares, issued by the Company;
- (7) to adopt the decision to convert the shares of the Company from one class to another, approve the procedure for conversion of shares;
- (8) to approve the Company's annual financial statements;
- (9) to adopt the decision regarding the distribution of profit (loss);
- (10) to adopt the decision regarding the formation, usage, reduction and termination of reserves;
- (11) to adopt the decision to issue convertible bonds;
- (12) to recall the pre-emptive right to all the Shareholders to acquire shares or convertible bonds issued by the Company from a particular issue of shares or convertible bonds;
- (13) to increase the Company's authorized capital;
- (14) to reduce the Company's authorized capital, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- (15) to adopt the decision for the Company to acquire its own shares;
- (16) to adopt decisions pertaining to reorganization or separation of the Company and approve the conditions for such reorganization or separation;
- (17) to adopt the decision on rearrangement of the Company;
- (18) to adopt the decision on restructuring of the Company;
- (19) to adopt the decision on liquidation of the Company or suspension of the liquidation, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- (20) to elect and recall the Company's liquidator, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- (20) to authorize the Board and the General Manager to solve issues falling under their competence;
- (21) to resolve other issues, addressed to the competence of General Meeting in the laws of the Republic of Lithuania and the present By-laws.

8.3. Passing the Decisions

(1) A decision of the General Meeting shall be held valid in case in case it receives a greater number of votes "in favor" from the shareholders, participating in the General Meeting than that "against" except the cases, stipulated in items 2 and 3 of the present Article.

(2) A qualified majority of 2/3 of votes present during the General Meeting shall be required

at the General Meeting to adopt decisions concerning the issues stipulated in items 1, 6-7, 9 – 11, 13-14, 16 - 19 of Article 8.2 hereof.

(3) A qualified majority of $\frac{3}{4}$ of votes present during the General Meeting shall be required at the General Meeting to adopt the decision concerning the issue stipulated in item 12 of Article 8.2 hereof.

8.4. Initiating a General Meeting

Unless provided otherwise under the Law on Companies of the Republic of Lithuania, the initiative right to convene the General Meeting shall be vested in the Board and the Company's Shareholders representing at least $\frac{1}{10}$ (one tenth) of all the voting rights. The initiators of the General Meeting shall request the Board in writing to convene the General Meeting, indicating in the application the reason for and the object of their request, proposal regarding the date and place of the meeting providing the draft agenda and the draft decisions. The General Meeting shall be convened no later than within the time period of 30 (thirty) days starting from the date of receipt of the application from the initiators of General Meeting. In case the Board fails to adopt the decision on convocation of the General Meeting within the time period of 10 (ten) days starting from the date of receipt of the application from the initiators of General Meeting, the Meeting can be convened by the decision by the shareholders, possessing more than $\frac{1}{2}$ of the whole of the votes. In cases stipulated in the Law on Companies of the Republic of Lithuania the General Meeting shall be convened by a decision of the head of the Company or a court.

8.5. Regular General Meeting

The Board must convene a regular General Meeting each year within 4 (four) months after the end of the previous fiscal year.

8.6. Extraordinary General Meeting

An extraordinary General Meeting has to be convened in the event that:

- (1) the authorized capital of the Company falls below $\frac{1}{2}$ of the authorized capital, specified in Article 5.1 of the present By-laws and the issue was not considered during the regular General Meeting;
- (2) the number of the Members of the Board becomes (due to resignation or inability to continue in their post) less than $\frac{2}{3}$ of their number specified in item 1 of Article 9.1 hereof;
- (3) the Auditing company terminates the agreement with the Company or for any other reasons may not inspect the documents of the annual financial statement of the Company;
- (4) it is so requested by Shareholders having the right to initiate the convening of a General Meeting or the Board;
- (5) it is necessary to do so under requirements of the laws of the Republic of Lithuania.

8.7. Convocation of the General Meeting

Due notice of each General Meeting of the Company shall be published under the manner and terms stipulated in the Law on Companies of the Republic of Lithuania.

A notice of each General Meeting shall contain the information required under the Law on Companies of the Republic of Lithuania.

8.8. Supplements to the Agenda

The Board and Shareholders holding at least 1/20 of all the votes shall have the right to request that items proposed thereby be included in the agenda of the General Meeting. The proposal to supplement the agenda shall be submitted and the Shareholders shall be informed of the changes in the agenda pursuant to the procedure defined in the Law on Companies of the Republic of Lithuania. The Board and Shareholders, whose shares grant them no less than 1/20 of the whole of the votes may also make proposals regarding new draft decisions on the issues, included into the agenda for the Meeting, additional nominees to be the members of management bodies of the Company and the auditing company at any time prior to the General Meeting or during the General Meeting.

8.9. Participation and Voting by Electronic Means of Communication

The Company may provide the possibility for the shareholders to attend the General Meeting and vote by electronic means of communication. If such possibility is provided, the manner of participation and voting by electronic means of communication shall be indicated in the Company's website.

8.10. Attendance List and Minutes

The registration list of the participants of the General Meeting and the minutes shall be drawn up in the manner defined in the Civil Code of the Republic of Lithuania and the Law on Companies of the Republic of Lithuania.

8.11. Quorum

The General Meeting may adopt decisions and shall be held if accomplished in case the attending Shareholders have more than 1/2 of all votes. In case the quorum is established, it is held to be established for the time period of the entire meeting. In case of absence of quorum during the General Meeting a repeated General Meeting may be convened under procedure and terms defined in the Law on Companies of the Republic of Lithuania.

8.12. Attendance by Officials of the Company

The Members of the Board, General Manager, representatives of the audit company as well as other officials of the Company may be invited to attend the General Meeting of the Company and shall respond to questions raised thereat by the Shareholders. The persons, mentioned above in this Article, that are invited to attend the General Meeting of the Company, shall have the right to participate in discussions as well as to contribute to the discussion of any item on the agenda of the General Meeting.

8.13. Decisions Declared Void

Decisions adopted by the General Meeting may be deemed to be null and void by a relevant ruling of a court based on a relevant petition made by interested individuals in judicial procedure, as set forth under laws of the Republic of Lithuania.

Article 9. The Board

9.1. Status of the Board

- (1) The Members of the Board serving on the Board of the Company shall act jointly as a governing body of the Company. The Board shall consist of 6 (six) Members of the Board. The Members of the Board shall be elected for a term of 2 (two) years. The Chairman of the Board shall be elected by the Board from its members for 2 (two) years.
- (2) The Members of the Board shall be elected by the General Meeting in the procedure established by the Law on Companies of the Republic of Lithuania.

- (3) Any Member of the Board shall have the right to discuss the affairs, finance and accounts of the company and any Group Company with the General Manager and other officers at such time as may be reasonable requested, and all books, records and accounts relating to the business and affairs of the Group shall, at all time, be open to the inspection of the Members of the Board who may make such copies thereof or extracts there from as such person may reasonably require for the proper performance of his or hers duties as a Member of the Board.

Under provisions of the Law on Companies of the Republic of Lithuania, any Member of the Board must keep the company's commercial secrets confidential.

9.2. Work regulations of the Board

Subject to provisions of applicable laws and these By-laws, the Board shall draw up and adopt its own work regulations and act pursuant to such work regulations.

9.3. Representation of the Company

The Chairman of the Board, as well as any other Member of the Board shall be entitled to represent the Company and to protect its rights in relations with third parties, to the extent and according to the procedures, set by the laws of the Republic of Lithuania.

9.4. Powers and Duties of the Board

(1) The Board shall be responsible for the strategic direction of the Company and for all matters related to management of the Company which, based on these By-laws and existing laws, are not within the competence of the General Meeting or the General Manager.

(2) The Board shall consider and approve:

- (a) the strategy of activities of the Company;
- (b) the annual report of the Company;
- (c) the structure of governance of the Company and positions of the employees;
- (d) the positions to which employees shall be hired through a contest, and nominees to such positions;
- (e) nominees to the positions of heads of divisions of the Company, i. e the deputies to the General Manager, directors of corporate and legal issues, risk management, human resources and internal audit functions executing units, heads of branches and representation offices, remuneration and dismissal from the positions;
- (f) remuneration of the managers, directly reporting to the General Manager in case the salaries exceed 20.000 (twenty thousand) Litas before taxes per month;
- (g) office regulations of branches and representative offices of the Company;
- (h) general principles (procedure) of payment of bonuses to Company's employees.

(3) The Board shall elect and recall the General Manager, set his/her remuneration and other conditions of the employment agreement, approve his/her office regulations, induce and apply penalties to him/her.

(4) The Board shall set the information, which shall be held the commercial (industrial) secret and confidential information of the Company. Any information which shall be public under laws of the Republic of Lithuania may not be considered as commercial (industrial) secret and confidential information.

(5) The Board shall analyze and assess materials provided by the General Manager concerning the following:

- (a) implementation of the strategy of the activities of the Company;
- (b) annual report of the Company;
- (c) organization of the activities of the Company;
- (d) financial state of the Company;

- (e) results of business activities, income and expenditure estimates, stocktaking and other valuable accounting data, annual Business plan of the Company, also the annual financial statements of the Company and a draft profit (loss) distribution, and shall present them to the General Meeting;
- (6) The Board shall have the authority, among other things, to create committees of the Board and to designate the Members of the Board, employees of the Company or other persons who serve on these committees provided that such other persons, before serving in these committees, shall undertake the obligation not to disclose Company's commercial secrets.
- (7) The Board shall take:
 - (a) decisions to become incorporator or participant of other legal entities;
 - (b) decisions regarding the acquisition or disposal by the Company or Group Companies the shares of other companies;
 - (c) decisions concerning acquisition, transfer, lease of any assets or business assumption of new debt obligations, securing the Company's or third persons' obligations or guaranteeing the fulfillment of obligations of third persons, when the amount of the concluded transactions (calculated separately in regard to each type of transaction) exceeds 4 000 000 (four million) Lit;as;
 - (d) decisions to incorporate the branches and representative offices of the Company;
 - (e) decisions concerning the method of calculation of depreciation of tangible and intangible assets applied in the Company;
 - (f) decisions concerning approval of the annual report of the Company and its submission to the General Meeting;
 - (g) decisions concerning the annual financial statements of the Company and a draft of profit (loss) distribution that are proposed by the General Manager and concerning the presentation of these drafts to the General Meeting, if they are approved by the Board;
 - (h) decisions to approve, amend and supplement the list of commercial secrets of the Company;
 - (i) decision to approve, amend or supplement the Annual Business Plan;
 - (j) decision to restructure the Company in cases set by the Law on Restructuring of the Companies of the Republic of Lithuania;
 - (k) other decisions ascribed to the competence of the Board under laws of the Republic of Lithuania, these By-laws or decisions of the General Meeting.
- (8) The Board shall convene General Meetings in a timely manner.

9.5. Convocation of Board Meetings and Related Matters

The right to convene a Board Meeting shall be vested in each Member of the Board. The chairman of the Board, upon written request from a Member of the Board to convene a Board Meeting, shall immediately notify about the convocation of the Board Meeting in the procedure established by work regulations of the Board. If the Chairman of the Board fails to convene the Board Meeting within 15 (fifteen) days from receipt of the request from the Member of the Board to convene the Board Meeting, the Board Meeting may be convened by the Member of the Board who has submitted the said request, notifying to that effect in the procedure determined by work regulations of the Board. The Board meeting shall be held accompli and the decision of the Board shall be lawful in case no less than 2/3 of the Members of the Board participate. The Members of the Board may vote only "in favor" or "against" the proposed draft decision. The decision of the Board shall be held valid in case it receives more "in favor" votes than "against". The Members of the Board shall have equal voting rights. The records of the Board Meetings shall be executed in both Lithuanian and English. The Members of the Board may participate in Board meetings by voting on the issues, foreseen in the agenda in advance. The Members of the Board may attend the Board Meetings by means of telephone or video conference or other similar communication means enabling the Members of the Board participating in the Meeting to hear each other; such participation shall correspond to personal participation in the meeting. The decisions of the Board may be taken without convening the Meeting, if all Members of the Board sign the written decision of the Board concerning certain issues falling

within the competence thereof.

9.6. Performance of Duties

The Board shall perform its functions for the term set forth in item 1 of Article 9.1 hereof or until a new Board is elected and commences holding office, however no longer than stipulated in the Law on Companies of the Republic of Lithuania.

9.7. Resignation

A Member of the Board may resign from office prior to the expiration of the term of office thereof upon written notification to the Company (handing notification personally to the Chairman of the Board) at least 14 (fourteen) calendar days in advance.

9.8. Liability

The Chairman of the Board and the Members of the Board shall be liable for their actions in the cases and under the procedure established by laws of the Republic of Lithuania.

9.9. Remuneration

The General Meeting may remunerate the Members of the Board a fee (tantiemes) in connection with their service as a member of the Board, conforming to the requirements of the Law on Companies of the Republic of Lithuania. The Members of the Board shall be paid salaries only in the case they shall have entered into employment agreements with the Company.

9.10. Conflicts of Interest

Any business conducted by a Company with any Shareholder or an Affiliate of the Company (as defined below) shall be conducted on ordinary business terms and on an arm's length basis. For the purpose of this Article, the term "Affiliate" shall mean a person or entity that, directly or indirectly, through one or more intermediaries controls other person or entity or is controlled by other person or entity or is under common control with another person or entity.

Article 10. General Manager

10.1. Status of the Administration

The Administration shall act pursuant to the laws and other legal acts of the Republic of Lithuania, these By-laws, decisions adopted by the General Meeting or the Board, the decisions made by the General Manager and the work regulations of the Administration.

10.2. General Manager

The General Manager is the Head of the Company. The Head of the Company is a one-man management body of the Company and shall, within his scope of authority, organize the day-to-day operation of the Company. The General Manager shall comply with the requirements, raised by the Laws of the Republic of Lithuania.

10.3. Appointment, Dismissal and Remuneration of the General Manager

The Board shall elect and dismiss, set remuneration, approve the office regulations, induce and apply penalties to and on behalf of the Company enter into and terminate an employment agreement with the General Manager. An employment agreement with the General Manager shall be signed by the Chairman of the Board or another person, authorized by the Board. An employment agreement with the General Manager, who is the Chairman of the Board shall be signed by a Member of the Board authorized by the Board. The remuneration of the General Manager shall comprise a fixed salary and bonuses (premiums), payable contingent on the results of the Company's activities

and his or her performance.

10.4. Activities of the General Manager

The General Manager shall be responsible for the activities of the Company and shall report to the Board as the Board may determine from time to time.

The General Manager shall:

- (1) supervise the day-to-day operation of the Group's business and ensure the implementation of the Company's activities according to the Annual Business Plan, subject to the requirements of these By-laws;
- (2) draw annual financial statements and annual report of the Company;
- (3) report on the current operations of the Company and status of the Group at each meeting of the Board;
- (4) perform the functions delegated to him by the Board and implement decisions adopted by the General Meeting;
- (5) represent or procure the representation of the Company before companies, authorities, organizations, courts, arbitration and in relations with any third party;
- (6) open or close accounts with banking institutions and dispose of the funds therein;
- (7) execute the Company's transactions pursuant to the By-laws, decisions of the General Meeting and the Board;
- (8) issue authorizations to other persons to perform his functions within the scope of his authority;
- (9) issue procurations;
- (10) issue orders regulating the work of the Administration, branches and representative offices of the Company and other structural subdivisions;
- (11) appoint and dismiss employees of the Company, sign, amend and terminate on behalf of the Company employment agreements with employees of the Company (except where, in cases provided in these By-laws, Board approval is required);
- (12) determine employees' salaries and bonuses (except where, in cases provided in these By-laws, Board approval is required); present the procedure for payment of bonuses to the Board for approval;
- (13) ensure the protection and increase of the Company's assets, normal working conditions, and protection of commercial secrets;
- (14) set the rates used for calculating asset depreciation in the Company;
- (15) represent or give another person a Power of Attorney to represent the Company in general meetings of shareholders of other companies in which the Company has invested;
- (16) approve, amend and supplement the work regulations of the Administration;
- (17) announce and deliver the Company's notifications as provided in Article 13 of these By-laws;
- (18) execute other functions, ascribed to the competence of the head of a company in the valid legal acts.

10.5. The right to make extracts from / copies of the documents

The General Manager shall be entitled to make and certify extracts from/copies of these By-laws and other documents of the Company. The General Manager shall be entitled to delegate such right to any employee of the Company.

10.6. Work Regulations of the Administration

The work regulations of the Administration approved by the General Manager shall define the duties and authority of the General Manager and his or her deputies as well as other officers of the Company in more details, subject to the limits of authority of the General Manager, established by the laws, these By-laws and the decisions of the General Meeting and the Board.

10.7. Annual Business Plan

The General Manager shall cause to be prepared and submitted to the Board not later than 45 (forty five) days before the end of the Company's fiscal year for approval an Annual Business Plan for each fiscal year, in a format reasonably acceptable to the Board, incorporating, among other things (i) a monthly operating budget for the Company and its subsidiaries (including estimated major items of revenue, operating and administration costs, capital expenditures and financings, borrowings and new capital requirements), (ii) marketing plans, (iii) system development plans, (iv) employee staffing requirements, compensation plans and training and retraining plans, and (v) cash flows.

10.8. Liability

The General Manager or his deputies shall be liable for their actions in the cases and under procedure established by laws of the Republic of Lithuania.

Article 11. The Company's Auditing Enterprise

11.1. Election

The Company's financial statements and the annual report of the Company prepared by the General Manager shall be audited by the Auditing Company upon the close of each fiscal year prior to the annual General Meeting. The Auditing Company shall be an internationally recognized auditing firm. The Auditing Company shall be elected by the General Meeting for a term of 2 (two) years.

11.2. Performance of the Audit

The audit of the Company shall be performed in accordance with legal acts of the Republic of Lithuania regulating audit and auditors' work, as well as conforming to the agreement concluded between the Company and the Auditing Company.

11.3. Payment for Audit Services

The conditions of payment for audit services shall be determined by the General Meeting.

Article 12. Profit (Loss) Distribution

The after tax net profit (loss) earned during the fiscal year must be distributed in accordance with Law on Companies of the Republic of Lithuania, by the regular General Meeting, approving the annual financial statements.

Article 13. Procedure for Giving Company's Notices

13.1. Notice of Convocation of the General Meeting

The Company's notice of convocation of the General Meeting shall be given in the manner defined in the Law on Securities.

13.2. Other Notices

The periodical and current information defined in the Law on Securities of the Republic of Lithuania (including information about material events) which the Company should disclose shall be announced in the manner defined in the mentioned law. Any other information and notices (other than indicated in item 13.1 or the first sentence of this item) which the Company should announce publicly (including notices about reorganization of the Company and reduction of the authorized capital) shall be announced in the electronic publication published by the registrar of legal entities for

announcement of public notices or shall be delivered to each Shareholder or any other person who should be notified by registered mail or against signature. Before commencement of functioning of the electronic publication published by the registrar of legal entities, or in cases when notices cannot be announced in such publication due to technical obstacles, such notices shall be announced in the daily "Lietuvos rytas" or delivered to each Shareholder or any other person who should be notified by registered mail or against signature. The Company's notices shall be announced and / or sent in observance of the terms set forth in the laws of the Republic of Lithuania, these By-laws and appropriate decisions of the Company's bodies. Responsibility for timely announcement or delivery of notices shall lie with the General Manager.

Article 14. Procedure for Amendment of the By-laws of the Company

The By-laws of the Company shall be amended upon the initiative of the Board or shareholders, whose shares grant them no less than 1/20 of the whole of the votes. The decision on amendment of the By-laws shall be taken by the 2/3 majority of the votes of participants of the General Meeting. In case the General Meeting takes the decision to amend the By-laws of the Company the whole text of the amended By-laws shall be drawn and signed by the person, authorized by the General Meeting.

Arūnas Šikšta
General Manager
TEO LT, AB

(signature)

(seal)

(date)