

## **Articles of Association of Joint-Stock Company “SANITAS”**

### **1. GENERAL PART**

1.1. Joint-Stock Company “SANITAS” (hereinafter Company) was incorporated by means of public subscription of shares when the State Pharmaceutical Company “Sanitas” was privatized. It is the successor of all the legal rights and duties of the latter company.

1.2. Joint-Stock Company “SANITAS” was reorganized by means of merger when the Joint-Stock Company Baltijos finansu vystymo grupe, which ceased to act as the legal entity after the reorganization, was merged with the Joint-Stock Company “SANITAS”. The latter continues its work after the reorganization and is the successor of all the rights, duties and property of Joint-Stock Company Baltijos finansu vystymo grupe.

1.3. The Company is a private legal person incorporated for the termless period that has commercial, economic, financial, legal and organizational independence and which is working in accordance with the laws of the Republic of Lithuania, Government’s decrees, other legal acts of the Republic of Lithuania, as well as these Articles of Association. The legal form of the Company is Joint-Stock Company.

1.4. The Company has limited civil liability. The capital of the Company is separate from the capital of its shareholders. The Company is liable only by its capital for its duties. The shareholders of the Company are liable for the obligations of the Company just by the sum, which they have to pay for the subscribed shares.

1.5. The financial year of the Company is calendar year.

### **2. ADDRESS OF THE REGISTERED OFFICE OF THE COMPANY**

2.1. The registered Office of the Company – Veiveriu str. 134 B, LT-46356 Kaunas city, Kaunas city municipality.

### **3. ACTIVITY GOALS OF THE COMPANY AND TYPES OF ECONOMIC ACTIVITY**

3.1. The Company’s goal is to gain profit from the activity indicated in the Articles of Association.

3.2. The object of the Company’s activity is the following:

3.2.1. **24.41** Production of the main products of pharmaceutical industry

3.2.2. **24.42** Production of pharmaceutical preparations

3.2.3. **15.87** Production of relish and seasoning

3.2.4. **15.89** Production of the products not specified elsewhere

3.2.5. **24.20** Production of pesticides and other agrochemical substances

3.2.6. **51.37** Wholesale of coffee, tea, cacao and spices

3.2.7. **51.46** Wholesale of pharmaceutical items

3.2.8. **51.55** Wholesale of chemical products

3.2.9. **51.56** Wholesale of other intermediate products

3.2.10. **51.57** Wholesale of waste and scrap

3.2.11. **51.90** Other wholesale

3.2.12. **55.23** Provision of other temporary residence that is not specified elsewhere

3.2.13. **70.20** Lease of real estate owned by proprietorship or other legal right

**3.2.14. 74.30** Technical inspection and analysis

**3.2.15. 74.40** Advertising

3.2.16. The other legal activity that is not contrary to the activity goals of the Company and/or laws of the Republic of Lithuania.

3.3. The Company may perform the activity that has to be licensed or performed following the fixed order after it has received all necessary permits.

#### **4. STATUTORY CAPITAL OF THE COMPANY**

4.1. The amount of the statutory capital of the Company is **31 105 920 Litas** (thirty one million one hundred five thousand nine hundred twenty litas). It is divided into ordinary shares. The statutory capital of the Company may be increased by the decision of General Meeting and reduced by the decision of General Meeting or by court's decision in cases indicated in the Law on Companies of the Republic of Lithuania.

4.2. The own capital of the Company cannot be smaller than ½ of the statutory capital indicated in the Articles of Association.

#### **5. THE QUANTITY OF SHARES OF THE COMPANY, THEIR NOMINAL VALUE AND THE RIGHTS THEY GRANT**

5.1. The statutory capital of the Company is divided into 31 105 920 (thirty one million one hundred five thousand nine hundred twenty) units of ordinary shares. The nominal value of one share is 1 (one) litas.

5.2. The shares of the Company are incorporeal. The proof of ownership of the shares is recorded in the accounts of securities of shareholders.

5.3. The shares are the securities of ownership that certify the part of their owners in the statutory capital of the Company. They grant the following property and non-property rights:

5.4.1. to receive a part of the Company's profit (dividend);

5.4.2. to receive a part of assets of the Company in liquidation;

5.4.3. to receive shares without payment if the statutory capital is increased out of the Company funds;

5.4.4. to have pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting decides to withdraw the pre-emption right for all the shareholders, according to the Law of Companies of the Republic of Lithuania;

5.4.5. to lend to the Company in the manner prescribed by law;

5.4.6. to leave all or part of the shares for the other persons by will;

5.4.7. to sell or otherwise transfer the shares to the proprietorship of other persons;

5.4.8. to attend the General Meetings;

5.4.9. to vote at General Meetings (one fully paid share of the one-litas nominal value grants one vote);

5.4.10. to receive the information concerning economic activity of the Company, following the order set in chapter 8 of these Articles of Association;

5.4.11. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the Company manager and Board members of their obligations prescribed by the laws and the Articles of Association as well as in other cases laid down by laws;

5.4.12. Shareholders may exercise other legal property and non-property rights.

#### **6. BODIES OF THE COMPANY**

6.1. The bodies of the Company are the following:

6.1.1. General Meeting of shareholders (hereinafter General Meeting);

6.1.2. Management Board elected from 5 (five) members for the period of 4 (four) years;

- 6.1.3. Manager of the Company – Director General.
- 6.2. The Supervisory Board is not formed in the company.
- 6.3. Competence and convening order of the General Meeting does not differ from the order set in the Law of Companies of the Republic of Lithuania.
- 6.4. Competence, election and revocation order of Management Board and manager of the Company does not differ from the order set in the Law of Companies of the Republic of Lithuania.
- 6.5. The manager of the Company has a right to issue an authorization for the employee of the Company or the third person, following the order set by Lithuanian legal acts, to perform the legal actions related to the activity of the Company on its behalf and in its name.

## **7. PUBLICATION OF NOTICES OF THE COMPANY**

- 7.1. The notifications about convening of General Meeting are published in the following way:
  - 7.1.1. The Management Board of the Company, the manager, the persons or authority which adopted the decision to convene the General Meeting shall present to the Company information and documents required for drawing up a notice of the General Meeting. The notice should indicate: Company's name, registered office and code; meeting's date, time and place (address); record date of the Meeting; agenda of the Meeting; initiators to convene the General Meeting; the Company's bodies, persons or institution that were the initiators of the General Meeting; the purpose and planned mode to reduce the statutory capital if the agenda includes the issue on reduction of the statutory capital;
  - 7.1.2. A notice of the General Meeting must be published in the daily Verslo žinios or delivered against acknowledgement of receipt sent by registered post to each shareholder not later than 30 days before the General Meeting. If the General Meeting is not held, the shareholders must be notified of the repeated General Meeting in the manner specified in this paragraph of Articles of Association at least 5 days before the day of this General Meeting. The repeated General Meeting shall be convened not before 5 days and not later than 30 days after the day of the General Meeting which was not held.
  - 7.1.3. The General Meeting may be convened in derogation of the time limits set in paragraphs 7.1.2 upon written consent of all the shareholders who hold shares conferring voting rights.
  - 7.1.4. The documents confirming that the shareholders have been given notice of the General Meeting shall be announced when opening the Meeting.
  - 7.1.5. At least 10 days before the General Meeting the shareholders shall be granted access to the documents available to the company relating to the agenda of the Meeting, including draft decisions and the request filed with the Board or, in the cases specified in parts 2) and 3) of paragraph 3 of Article 23 of the Law on Companies of the Republic of Lithuania, to the manager of the company by the persons who initiated the convening of the General Meeting. If the shareholder requests so in writing, the manager of the company shall within 3 days from the receipt of the written request deliver to him against his signed acknowledgement of receipt all draft decisions of the Meeting or shall send him the above drafts by a registered letter. A notice must be given with the draft decisions indicating on whose initiative they have been submitted. Where the person who initiated the draft decision submitted its explanations, these must be attached to the draft decisions.
- 7.2. A notice of the decision to reduce the statutory capital of the Company must be delivered against acknowledgement of receipt sent by registered post to each creditor of the Company. Besides, this decision must be published in the daily Verslo žinios and delivered against acknowledgement of receipt sent by registered post to each shareholder of the Company.

- 7.3. The Company must publish the notice on the prepared terms of reorganisation three times with at least 30-day intervals between publications in the daily Verslo žinios or publish them once at least 30 days before the General Meeting on the reorganisation of the company in the Verslo žinios and notify all creditors and shareholders of the company by registered post.
- 7.4. The decision to transform the Company should be published three times with at least 30-day intervals between publications in the daily Verslo žinios or published once in the Verslo žinios and all the creditors of the company should be notified in writing
- 7.5. The liquidator shall publish a notice of the liquidation of the Company 3 times with at least 30-day intervals between publications in the daily Verslo žinios or publish it once in the daily Verslo žinios and notify all the creditors of the Company thereof in writing.
- 7.6. In other cases the public information of the Company is published in the daily Verslo žinios in terms set in the Civil Code, Law on Companies and other legal acts of the Republic of Lithuania.

## **8. PRESENTATION OF DOCUMENTS AND OTHER INFORMATION OF THE COMPANY TO THE SHAREHOLDERS**

- 8.1. At the shareholder's written request the Company shall 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, annual accounts, annual reports of the Company, auditor's opinion and audit reports, minutes of the General Meetings and other documents whereby the decisions of the General Meeting, list of shareholders and other documents of the Company, which are public, according to the law. A shareholder or a group of shareholders who hold or control more than 1/2 of shares shall have the right of access to all Company documents upon giving the Company a written commitment in the form prescribed by the Company not to disclose the commercial/industrial secret. 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 shall be settled in court.
- 8.2. The persons, who disclose the commercial secret, are liable according to the laws.

## **9. DECISION MAKING CONCERNING ESTABLISHMENT OF BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY AND CESSATION OF THEIR ACTIVITY**

- 9.1. The Board of the Company decides on the establishment of branches and representative offices of the Company, the cessation of their activity and certification of the Articles, following the order set in these Articles of Association and valid laws.
- 9.2. The Manager of the Company appoints and dismisses the managers of the branches and representative offices of the Company.

## **10. PROCEDURE TO AMEND THE ARTICLES OF ASSOCIATION OF THE COMPANY**

- 10.1. The Articles of Association are amended by the decision of General Meeting, which is made by the 2/3 qualified majority of votes of the shareholders present at the meeting, except for the exceptions indicated in the Law on Companies of the Republic of Lithuania.
- 10.2. After the General Meeting makes a decision to amend the Articles of Association, the text of amended Articles of Association is written, and the person authorized by the General Meeting signs it.
- 10.3. The manager of the Company has to present the amended Articles of Association and the documents supporting the decision to amend them to the manager of the Register of Legal Entities within the time specified in laws.

The Company acts, according to the Civil Code of the Republic of Lithuania, Law on Companies, other laws and Government's decrees with regard to other issues not covered in these Articles of Association.

The Articles of Association were signed on twenty seventh of October, two thousand and eight.

Authorized person:	(signature)	Saulius Jurgelenas
--------------------	-------------	--------------------