

Joint stock company „Vilniaus baldai“

REGULATIONS

I. General provisions

1. Joint stock company “Vilniaus baldai” (hereinafter Company) is a limited civil liability private legal entity with economic, financial and organizational independence.
2. The Company follows these regulations, the Civil Code of the Republic of Lithuania, the Law of Joint Stock Companies of the Republic of Lithuania and other legislation in its activity.
3. Legal form of the Company – Joint Stock Company.
4. In accordance with its obligations the Company answers only with its property.
5. The Company’s activity duration is unlimited.
6. The Company’s financial year is the calendar year.
7. The name of the Company is Joint Stock Company “Vilniaus baldai”
8. Location of the Company – Vilnius city municipality, Vilnius city, Savanorių av. 178.

II. The Company’s business objectives and object

9. The Company’s business object is to gain profit meeting the needs of population, enterprises, institutions, organizations (irrespective to their nature and form of ownership) for services provided and works carried out according to the following set of economic activities, as well as investing funds. The Company may also make unprofitable transactions in order to avoid losses (larger losses) or make better working or household conditions for the workers of the Company.
10. Business object of the Company (activities are indicated according to rev. 2 of Economic Activities Classification (NACE rev. 2), approved by Order No DĮ-226 of 31 October 2007 of the Director General of Statistics Lithuania):
 - 10.1. manufacturing of furniture (31);
 - 10.2. other manufacturing (32);
 - 10.3. wholesale trade except of motor vehicles and motorcycles (46);
 - 10.4. retail trade except of motor vehicles and motorcycles (47);
 - 10.5. repairing of personal and household goods (95.2);
 - 10.6. accommodation (55);
 - 10.7. food and beverage service activities (56);
 - 10.8. land transport and transport via pipelines (49);
 - 10.9. warehousing and transportation support activities (52);
 - 10.10. activities of travel agencies (79.11);
 - 10.11. other financial service activities except insurance and pension funding (64.9);
 - 10.12. real estate operations (68);
 - 10.13. rental and leasing (77);
 - 10.14. computer programming, consultancy and related activities (62);
 - 10.15. administrative, office and other business enterprise service activities (82).

11. The Company has the right to engage in other activities not specified above if it is consistent with Company's business objectives and / or the Laws of the Republic of Lithuania. Licensed activity is carried out only in accordance with authorization and licenses.
12. The Company has all the civil rights and obligations if they comply with the Laws of the Republic of Lithuania.

III. Authorized capital of the Company

13. Authorized capital of the Company is 15.545.068 (fifteen million five hundred forty five thousand and sixty eight) LTL.
14. Authorized capital of the Company may be increased in accordance with the Law of Joint Stock Companies of the Republic of Lithuania by the decision of the general meeting of shareholders.
15. Authorized capital of the Company may be decreased in accordance with the Law of Joint Stock Companies of the Republic of Lithuania by the decision of the general meeting of shareholders or in accordance with cases set in the Law of Joint Stock Companies of the Republic of Lithuania – by court decision.

IV. Number of shares, their nominal value and rights of the shareholders

16. The Company's authorized capital is divided into 3.886.267 (three million eight hundred eighty six thousand two hundred and sixty seven) registered ordinary shares.
17. The nominal value of one share is 4 (four) LTL.
18. The Company's shares are not material. They are located as records in personal securities accounts of the shareholders. These accounts are managed in accordance with Legislation of Securities Market procedures.
19. The shareholders have the following property rights:
 - 19.1. to receive a part of Company's profit (dividend);
 - 19.2. to receive Company's funds when the authorized capital of the Company is decreased in order to pay the Company's funds to the shareholders;
 - 19.3. to receive shares free of charge when the authorized capital is increased from the Company's funds other than set exceptions in the Law of Joint Stock Companies of the Republic of Lithuania.
 - 19.4. to purchase the Company's issued shares or convertible bonds with a priority right unless the general meeting of the shareholders in accordance with the Law of Joint Stock Companies of the Republic of Lithuania decides to cancel the priority right to all shareholders;
 - 19.5. to lend the Company according to set law manners, but the Company, borrowing from its shareholders has no right to mortgage its property to shareholders. The interest shall not exceed the average interest rate of commercial banks in the lender's place of residence or business in force at the time of the loan contract when the Company is borrowing from the shareholder. In this case it is prohibited to the Company and its shareholders to agree on a higher interest rate.
 - 19.6. to receive a part of eliminated Company property;
 - 19.7. other statutory property rights;
 - 19.8. the rights, indicated in statutes 19.1., 19.2, 19.3 and 19.4 have persons who were Company's shareholders at the tenth day after the decision that was accepted at the end of general shareholders' meeting (hereinafter – at the end of right record day)
20. The shareholders have the following moral rights:
 - 20.1. to participate in general shareholders' meetings;
 - 20.2. to give the Company questions in advance relating to general shareholders' meetings agenda;

- 20.3. according to the rights granted by shares, vote in general shareholders' meetings. Each registered ordinary share carries one vote at the general shareholders' meeting except the exceptions indicated in the Law of Joint Stock Companies of the Republic of Lithuania. The right to vote at the general shareholders' meetings may be prohibited or restricted by the Law of Joint Stock Companies of the Republic of Lithuania and other cases established by law, as well as, when the ownership of the share is being disputed;
 - 20.4. to receive information about the Company as indicated in the Law of Joint Stock Companies of the Republic of Lithuania;
 - 20.5. to go to court with a claim, asking for reparation of Company's damage which resulted from the Company's executive and board members obligations set out in the Law of Joint Stock Companies of the Republic of Lithuania and other laws as well as Company's regulations, non-performance or improper performance, as well as other cases established by law;
 - 20.6. to authorize a natural or legal person to represent him in his relations with the Company and other persons;
 - 20.7. other moral rights indicated in the Law of Joint Stock Companies of the Republic of Lithuania or Company's regulations;
21. The Company may issue a common share emission having employee stock status.

V. Bodies of the Company

- 22. Bodies of the Company are the general shareholders' meeting, the Board and the Chief Executive of the Company. The Supervisory Board is not formed.
- 23. The Board is a collegiate management body under the guidance of its President. The Board of the Company shall consist of 3 (three) members for 4 (four) years.
- 24. The Company has a managing body – Chief Executive of the Company (General Director).
- 25. The competence of the general shareholders' meeting, its convening order and other issues related to general shareholders' meeting activity and decision taken, as well as competence of the Board and Chief Executive of the company, election (designation) and cancellation order and other issues related to the activity of the Board and Chief Executive of the Company, are governed by the paragraph V of the Law of Joint Stock Companies of the Republic of Lithuania.
- 26. Decision to issue the bonds is given out by the Board of the Company.
- 27. At the end of financial year, until the next annual meeting, an audit firm, selected by the general shareholders' meeting, shall examine the set of annual financial reports. Audit is carried out by the audit and auditors work regulated legislation and according to conditions indicated in the contract with the Company.

VI. Company's procedures for announcement publishing

- 28. The announcement of the general shareholders' meeting convening is made public and the related information is introduced to the shareholders according to the Law of Joint Stock Companies of the Republic of Lithuania.
- 29. Public announcements, published in accordance with the Law of Joint Stock Companies of the Republic of Lithuania or other laws, except the announcements indicated in the point 28 of the regulations, are published in the daily newspaper „Lietuvos rytas“ in accordance with the Civil Code of the Republic of Lithuania, the Law of Joint Stock Companies of the Republic of Lithuania and other legislative procedures and terms.

VII. Presentation order of the Company documents and other information to the shareholders

30. If a shareholder requests in writing, the Company must make a possibility to access and (or) make copies of these documents to the shareholder no later than in 7 days from the day of the receipt of the request: Regulations of the Company, sets of annual financial reports, annual announcements of the Company, the auditor's findings and audit reports, protocols of general shareholders' meetings or other documents in which general shareholders' meetings decisions are registered officially, shareholders' lists, lists of Board members, other Company's documents which have to be open to the public under the law as well as protocols of the Board meetings or other documents in which Company's management body decisions are registered officially if these documents are unrelated with Company's commercial (production) secret, confidential information. Shareholder or a group of shareholders controlling more than 1/2 of shares and having presented to the Company its set form of a written commitment not to disclose commercial (production) secret, confidential information, have the right to access all documents of the Company. The Company may refuse to make a possibility to access and (or) make copies of documents to the shareholder if it is impossible to identify the shareholder's identity who requested the documents. Denial of access to make the possibility to access and (or) provide copies to the shareholder the Company shall provide in writing if the shareholder requests. Disputes concerning the shareholder's right to access the information are solved by court.
31. Upon receiving a written request, Company's information (documents for information) is provided to the shareholder personally upon arriving to the Company on pre-agreed time arranged with Company's responsible employee in accordance with the terms set in the Law of Joint Stock Companies of the Republic of Lithuania. For the presentation of Company's document and other information to the shareholders, Company's employee appointed by the Chief Executive of the Company is responsible.
32. Commercial (production) secret is information (other than the public information indicated in the laws of the Republic of Lithuania) which had been granted this status by the Company's Board. For the disclosure of the commercial (production) secret the shareholder or the representative of the shareholders shall be responsible in the manner established by law.

VIII. Establishing and cessation order of the Company's branches and representative offices

33. The issues of establishing and cessation of the Company's branches and representative offices and statute approval is made by Company's Board in accordance with these regulations and valid laws.
34. The directors of Company's branches and representative offices are appointed and withdrawn by the Company's Board.

IX. Regulation change order

35. Regulations of the company may be changed by a decision of general shareholders' meeting accepted by no less than 2/3 majority of votes, excluding the exceptions provided in the Law of Joint Stock Companies of the Republic of Lithuania.
36. When the decision to change the Company's regulations is accepted by the general shareholders' meeting, all changed regulation text shall be put down and undersigned by the general meeting's authorized person.
37. The changed regulations of the Company and the documents of the decision to change them have to be submitted to the manager of Register of Legal Persons within the deadline provided by the law by the Chief Executive of the Company.
38. The changed regulations of the Company shall enter into force only after being registered in accordance with the law in the Register of Legal Persons of Lithuania.

X. Other provisions

39. For all other issues not addressed in these regulations, the Company shall be guided by the Civil Code of the Republic of Lithuania, the Law of Joint Stock Companies of the Republic of Lithuania and other laws of the Republic of Lithuania as well as other legal acts.