

**NOTIFICATION ON MATERIAL EVENT  
03-12-2009**

**Decisions of the extraordinary general meeting of the shareholders**

Extraordinary General Meeting of Shareholders of AB „UTENOS TRIKOTAŽAS“ (hereinafter – the Company) was hold on 3 December 2009 at 10:00 a.m. Agenda and decisions of the meeting:

Meeting Agenda:

1. Convertible bonds issue;
2. Withdrawal of all shareholders pre-emptive right to acquire the bonds of convertible bonds issue;
3. Convertible bonds issue;
4. Withdrawal of all shareholders pre-emptive right to acquire bonds of convertible bonds issue;
5. Increase of the share capital of the Company related to issues of convertible bonds;
6. Authorization.

Resolutions:

**1. Convertible bonds issue**

To issue non public 5 year term convertible bonds of 3 432 000 EUR (three million four hundred thirty two thousand Euro) nominal value.

*Basic data on convertible bonds:*

Number of bonds	50
Nominal value and issue price per one bond	68 640 EUR
Total nominal value and issue price	3 432 000 EUR
Shares the bonds shall be converted to	Ordinary registered shares of public company „UTENOS TRIKOTAŽAS“
The discounted price of the bond issue (per one)	32 574,32 EUR
Total discounted price of the bond issue	1 628 716 EUR
Redeemed price of the bond	68 640 EUR per one bond
Currency of the issue	Euro
Interest rate	0 (zero) percent
The average profitability before the redemption	15 (fifteen) percent of annual interest calculated from the discounted price of the bonds. Interest is calculated every month
The last day to subscribe the bonds	11-01-2010
The beginning of the bonds validity	12-01-2010
The redemption day (term)	12-01-2015
Term to notice about intention to convert bonds to the shares	From 12-01-2010 till 11-12-2014 inclusive

*Granted rights of the convertible bonds:*

Issued convertible bonds are securities under which the Company becomes the debtor of the bonds holder and assumes obligations for the benefit of the bonds holder. The bonds holder shall have the same rights as other creditors of the Company.

The convertible bonds of this issue grant the rights to:

- a) receive nominal value of redeemed bonds or part of bonds (the redeemed price) on the redemption day;
- b) request to redeem the convertible bonds before the redemption day if any of the early performance events occurs;
- c) convert all or part of bonds into ordinary registered shares of the Company by submitting the written request to the Company at any time as from 12-01-2010 till 11-12-2014 (inclusive). The Company obliges to convert the indicated number of bonds into the ordinary shares within 15 (fifteen) working days of such a request receipt, unless the request of the bonds holder indicates the later day of convert which in any way can not be subsequent than the redemption day.

The Company guarantees that converting the convertible bonds into the Company's shares on the redemption day, the Company's shares granted to the bonds holder (holders) will grant not less than 34 % (thirty four percent) of all Company's shares and voices in the General Meeting of the Shareholders. The Company obliges that it will not perform any actions that would foul or be likely to foul the indicated Company's undertaking and the due right of the bonds holder (holders), including increasing of the Company's authorized capital, converting of the shares of one class into shares of another class or setting the nominal value, issuing the emissions of the convertible bonds.

Securing the rights of the bonds holders, the Company undertakes that without the advance approval of the holders of all issued convertible bonds of this emission that are not converted into the Company's shares, the Company will not adopt these decisions (this claim is not applied to the decision of this General Meeting of the Shareholders to issue a non-public emission of the convertible bonds of 917 520 EUR nominal value for a 5 year term):

- a) to increase the authorized capital of the Company;
- b) to issue the convertible bonds;
- c) to issue new shares or to determine the class, number and set the nominal value and the minimum issue price of the shares issued by the Company;
- d) to convert the shares of one class into shares of another class, approve share conversion procedure;
- e) to pay the dividends or in any other way to distribute the profits (part of the profits) to the shareholders of the Company;
- f) to take a decision on the reorganization or division of the Company and approve the terms of reorganization or division;
- g) to transform, to restructure and to liquidate the Company;
- h) to delist the ordinary shares of the Company;
- i) to amend the By-laws of the Company if the amendments have an influence on the rights of the convertible bonds holders indicated in this decision.

By the order indicated below the shareholders of the Company shall have the priority right to purchase all the convertible bonds that are being transferred:

The convertible bonds holder must inform the Company on the intention to transfer all or a part of the bonds (hereinafter – the Announcement) indicating the number and the selling price of the bonds that are being transferred. After receiving the Announcement the Company must announce it to the shareholders via NASDAQ OMX Vilnius immediately, but no later than the second work day. The Company's shareholders who were the shareholders of the Company on the end, that is, at 5 p. m. of the day of publishing the Announcement via NASDAQ OMX Vilnius have the priority right to purchase all the convertible bonds that are being transferred. The Company's

shareholders who request to purchase the convertible bonds that are being transferred must inform the Company of such request no later than 10 (ten) days after the day the Company received the Announcement of the convertible bonds holder.

The Company will inform the holder of the convertible bonds about the Company's shareholders requests to purchase all the convertible bonds he is transferring not later than within 14 days since the day the Company received the Announcement of the convertible bonds holder.

If during the indicated period of time one or few of the Company's shareholders have declared the request to purchase all the convertible bonds that are being transferred, the holder of the convertible bonds must transfer the convertible bonds to the shareholders (one or few) who have declared the requests and the latter must buy all these convertible bonds for the price not less than indicated in the Announcement, paying all the price not later than within 20 (twenty) days since the day the Company received the Announcement of the convertible bonds holder, unless it was agreed otherwise with the holder of the convertible bonds.

If the demand of the convertible bonds exceeds its supply, the convertible bonds are distributed to the Company's shareholders who requested to purchase the convertible bonds by proportion to the number of the Company's shares they are holding.

If in 14 (fourteen) days since the day the Company received the Announcement of the convertible bonds holder (a) the Company informs the convertible bonds holder that the Company's shareholders do not request to purchase the convertible bonds that are being transferred, or (b) does not inform, or (c) the Company's shareholders (or at least one of them) who were indicated in the Company's information to the convertible bonds holder and who requested to purchase the convertible bonds do not pay the price (or a part of it) of the convertible bonds within 20 (twenty) days since the day the Company received the Announcement, the convertible bonds holder gains a right to sell the convertible bonds at his discretion to any third persons for price, not less than indicated in the Announcement.

The priority right is not granted to the Company's shareholders in cases when the bonds holders transfer the convertible bonds to the related persons as they are understandable according to the Law of the Competition.

A convertible bonds shall be secured by a pledge of the part of the asset of the Company (by primary and/or secondary pledge), the part of the asset of AB „Šatrija“, legal entity code 172285032, registered office at Vilnius str. 5, Raseiniai, (by secondary pledge), asset of „Swedbank lizingas“, UAB, legal entity code 111568069, registered office at Geležinio Vilko str. 18A, Vilnius, which is leased to the Company (by primary pledge).

*The rate at which convertible bonds shall be converted into shares of the Company*

If the convertible bonds are converted into shares on the redemption day, one convertible bond of 68 640 EUR (sixty eight thousand six hundred forty Euro) nominal value shall be converted into ordinary registered shares of the Company at ratio 1:237 000, i.e. one convertible bond shall be exchanged into 237 000 (two hundred thirty seven thousand) ordinary registered shares of the Company.

If the convertible bonds are converted into shares in the period as from 12-01-2010 till the redemption day (this day is not inclusive), the ratio at which the convertible bonds shall be converted into shares, is calculated as follows:

- a) first of all, the value of one convertible bond on the convert day shall be determined under the formula:

$$32\,574,32 \text{ EUR} * ((1 + 0,15 / 12) ^ x) * 3,4528 = v$$

Where:

^ - involute;

x – term calculated by months as from the beginning of the bonds validity till the day when all or the part of the convertible bonds are converted into shares. If the convertible bonds or part of the bonds are converted into the shares as from the calendar day 13 till calendar day 27 (inclusive) of the appropriate month, than the appropriate month shall not be added as calculating “x”. If the convertible bonds are converted as from the calendar day 28 till calendar day 12 (inclusive) of the posterior month, than the last-mentioned month shall be added as calculating “x” (e.g., if the convertible bonds are converted on 13-02-2010, than “x” shall be equal to 1; if – 12-03-2010, than “x” shall be equal to 2);

v – the value of the convertible bond on the convert day in Litas.

Afterwards the number of the shares into which the one convertible bond is converted (the ratio) shall be determined. One convertible bond shall be converted into the such number shares of 1 (one) litas nominal value, that the total nominal value of the shares shall be equal to the value of the convertible bonds on the convertday in Litas.

If the value of the convertible bond in Litas is not a whole number, the number of the shares into which the bond is converted (the ratio) shall be rounded to the next whole number according to the arithmetical rules.

*Data on shares for which the convertible bonds shall be converted:*

- a) The class – ordinary registered shares;
- b) The maximum number of the shares for which the issued convertible bonds might be converted – 11 850 000 shares;
- c) The nominal value – 1 (one) Litas;
- d) The rights attached thereto – all the property and non-property rights indicated in the Law on Companies of Republic of Lithuania, other laws and legal acts as well as indicated in By-laws of the Company. The shares that shall be issued on the convert day shall be immediately included to the same list in AB NASDAQ OMX Vilnius where the ordinary registered shares of the Company shall be.

*The terms of the exchange of the convertible bonds into the shares*

If the bonds holder chooses to convert the bonds into the shares, he has to submit a written request to the Company as from 12-01-2010 till 11-12-2014 inclusive.

If the bonds holder submits the request to convert all or part of convertible bonds into the shares of the Company, the Company obliges to convert the indicated number of bonds into the ordinary shares within 15 (fifteen) working days of such a request receipt, unless the request of the bonds holder indicates the later day of conversation which in any way cannot be subsequent than the redemption day.

If the request to convert bonds or part of the bonds into the shares is not submitted by the bonds holder to the Company until 11-12-2014 (inclusive), bonds or part of the bonds are not converted into shares, bonds are redeemed on 12-01-2015.

*Interest and the terms of payment thereof*

The interest rate of the convertible bonds – 0 (zero) percent. The convertible bonds are acquired for the discounted price and redeemed for the nominal value on the redemption day.

The average profitability before the redemption is 15 (fifteen) percent of annual interest calculated from the discounted price of the bonds. Interest is calculated every month. The shareholders understand and confirm that because the interest shall not be paid before the redemption day, the interest shall be of average profitability till the calculation of the redemption and for the purpose of

determination of the convertible bonds value as from 12-01-2010 till 12-01-2015 (inclusive) shall be calculated and for the interest already calculated.

*The term of the redemption of the convertible bonds*

The convertible bonds shall be redeemed on – 12-01-2015. The Company cannot demand to redeem the convertible bonds or convert the bonds into the shares before the redemption day.

The convertible bonds holder cannot demand to redeem the convertible bonds before the redemption day unless any of the events indicated below takes place (that is an early performance event):

- (a) The Company failed to fulfill any of its monetary obligations due to the agreement with a credit company or other financial institution for more than 30 (thirty) calendar days and the financial institution demands to fulfill all the monetary obligations before the term indicated in the agreement;
- (b) The value of the property that was mortgaged in the benefit of the convertible bonds holder decreases due to the Company's fault or the third persons start the realization of the property that was mortgaged in the benefit of the convertible bonds holder or other Company's property in the process of execution (collection), unless if the convertible bonds holder by his own will gives an approval for such collection from the property mortgaged in his benefit;
- (c) The Company's property or means in the accounts are arrested or the Company's rights to dispose of the property (or a part of it) is restricted any other way and such arrest or restriction is not removed or abolished within 90 calendar days since its beginning;
- (d) The Court adopts a decision to initiate a Company's bankruptcy or restructurisation, the non-judicial bankruptcy procedure is initiated, the Company's creditors' meeting is convened to decide on the Company's solvency or bankrupt, the administrator of the Company or of its property is appointed;
- (e) The General Meeting of the shareholders decides to liquidate the Company;
- (f) Any of these facts occurs (except for events, when there is the approval of all issued convertible bonds (and not converted into the Company's shares) holders) (i) The General Meeting makes the decision to change the nominal value of the ordinary registered bonds; (ii) The General Meeting makes the decision to issue new shares, convertible bonds or securities, which enable to acquire shares or convertible bonds; (iii) The General Meeting makes decision to issue employees' shares or free shares for the present shareholders; (iv) The General Meeting makes decision to pay out the dividends or pay out finances in other way; (v) The General Meeting makes decision about the participation into the reorganization or division of the Company or about organization of these process; (vi) The General Meeting makes decision about the transfer of essential unencumbered Company's property to the related or third persons; (vii) The General Meeting makes decision about the change of the rights provided by the shares or convertible bonds; (viii) The General Meeting makes decision to decrease of the reserves; (ix) The General Meeting or the Vilnius Stock Exchange makes decision to delist the ordinary registered shares of the Company; (x) the Company receives the announcement about the intention to announce the obligatory or voluntary official suggestion to receive the remaining ordinary registered shares of the Company;
- (g) The Company does not convert the convertible bonds into Company's shares on time (that is, as it is directed in the decision of The General Meeting and in the Bonds subscription agreement);
- (h) Other fact, indicated in the Convertible bonds subscription agreement, occurs.

If any of early performance events occurs, the Company must inform all the bond holders immediately. In that case any of convertible bonds (or part of them) holder have the right to request to redeem the convertible bonds or part of it and the Company within 7 (seven) calendar days since receiving the

announcement of the holder must redeem all the required convertible bonds for the contemporary value, increased by the coefficient of 1,05, i.e. for the price calculated under the formula:

$$32\,574,32 \text{ EUR} * ((1 + 0,15 / 12) ^ x) * 1.05 = k$$

Where:

^ - involute;

x – term calculated by months as from the beginning of the convertible bonds validity till the day when all or the part of the convertible bonds are redeemed. If the convertible bonds or part of the bonds are converted into the shares as from the calendar day 13 of the appropriate month till calendar day 1 (inclusive) of the posterior month, than the appropriate month shall not be added as calculating “x”. If the convertible bonds are converted as from the calendar day 2 till calendar day 12 (inclusive) of the appropriate month, than the last-mentioned month shall be added as calculating “x” (e.g., if the convertible bonds are converted on 12-02-2010, than “x” shall be equal to 1; if – 13-02-2010, than “x” shall be equal to 2);

k – the price of the convertible bond on the redemption day in Euro.

If the bonds holder or the intermediary of public trading in securities managing his securities accounts does not claim the redemption of the bonds within 3 years after the redemption date, the bonds holder shall lose the right of claim.

The decision of the General Meeting of the Shareholders to issue 3 432 000 EUR (three million four hundred thirty two thousand Euro) nominal value non-public convertible bonds is also the decision to increase Company's share capital by 11 850 000 LTL (eleven million eight hundred fifty thousand Litas). The share capital of the Company shall be increased by the amount equal to the total nominal value of shares convertible bonds were converted to, if the bonds holder submitted a written request to the Company to convert the bonds within the period indicated in this decision. The Board of the Company is authorized to change in By-laws of the Company the size of the share capital and number of shares and to provide the amended By-laws to the Register of Legal Entities. In this case the payment for the convertible bonds shall be the payment for the shares into which the bonds are converted.

## **2. Withdrawal of all shareholders pre-emptive right to acquire the bonds of convertible bonds issue**

To withdraw all shareholders pre-emptive right to acquire bonds of 3 432 000 EUR (three million four hundred thirty two thousand Euro) convertible bonds issue. The right to acquire entire convertible bonds issue – 50 units of total nominal value of 3 432 000 EUR (the total discounted price of the bond issue is 1 628 716 EUR) - is granted to „Swedbank“, AB, registered office at Savanorių pr. 19, Vilnius, legal entity code 112029651.

The reason for withdrawal of the pre-emptive right is rearrangement of the debts of the Company in order to secure the fulfillment of the liabilities of the Company. All the finance received for the issued convertible bonds shall be committed for the settlement with „Swedbank lizingas“, UAB, registered office at Geležinio Vilko g. 18A, Vilnius, legal entity code 111568069. According to the terms indicated in the convertible bonds subscription agreement, the finances for the convertible bonds shall be transferred to „Swedbank lizingas“, UAB, directly.

## **3. Convertible bonds issue**

To issue non public 5 year term convertible bonds of 917 520 EUR (nine hundred seventeen thousand five hundred twenty Euro) nominal value.

*Basic data on convertible bonds:*

Number of bonds	16
Nominal value and issue price per one bond	57 345 EUR
Total nominal value and issue price	917 520 EUR
Shares the bonds shall be converted to	Ordinary registered shares of public company

	„UTENOS TRIKOTAŽAS“
The discounted price of the bond issue (per one)	27 151,88 EUR
Total discounted price of the bond issue	434 430,08 EUR
Redeemed price of the bond	57 345 EUR per one bond
Currency of the issue	Euro
Interest rate	0 (zero) percent
The average profitability before the redemption	15 (fifteen) percent of annual interest calculated from the discounted price of the bonds. Interest is calculated every month
The last day to subscribe the bonds	11-01-2010
The beginning of the bonds validity	12-01-2010
The redemption day (term)	12-01-2015
Term to notice about intention to convert bonds to the shares	From 12-01-2010 till 11-12-2014 inclusive

*Granted rights of the convertible bonds:*

Issued convertible bonds are securities under which the Company becomes the debtor of the bonds holder and assumes obligations for the benefit of the bonds holder. The bonds holder shall have the same rights as other creditors of the Company.

The convertible bonds of this issue grant the rights to:

- a) receive nominal value of redeemed bonds or part of bonds (the redeemed price) on the redemption day;
- b) request to redeem the convertible bonds before the redemption day if any of the early performance events occurs;
- c) convert all or part of bonds into ordinary registered shares of the Company by submitting the written request to the Company at any time as from 12-01-2010 till 11-12-2014 (inclusive). The Company obliges to convert the indicated number of bonds into the ordinary shares within 15 (fifteen) working days of such a request receipt, unless the request of the bonds holder indicates the later day of convert which in any way cannot be subsequent than the redemption day.

Securing the rights of the bonds holders, the Company undertakes that without the advance approval of the holder of more than fifty percent issued convertible bonds of this emission that are not converted into the Company's shares (calculating as from the number of the issued convertible bonds on the issue day) (i.e. this rule is applicable if fifty percent issued convertible bonds of this emission that are not converted into the Company's shares belongs to one holder), the Company will not adopt these decisions:

- a) to increase the authorized capital of the Company;
- b) to issue the convertible bonds;
- c) to issue new shares or to determine the class, number and set the nominal value and the minimum issue price of the shares issued by the Company;
- d) to convert the shares of one class into shares of another class, approve share conversion procedure;
- e) to pay the dividends or in any other way to distribute the profits (part of the profits) to the shareholders of the Company;
- f) to take a decision on the reorganization or division of the Company and approve the terms of reorganization or division;

- g) to transform, to restructure and to liquidate the Company;
- h) to delist the ordinary shares of the Company;
- i) to amend the By-laws of the Company if the amendments have an influence on the rights of the convertible bonds holders indicated in this decision.

By the order indicated below the shareholders of the Company shall have the priority right to purchase all the convertible bonds that are being transferred:

The convertible bonds holder must inform the Company on the intention to transfer all or a part of the bonds (hereinafter – the Announcement) indicating the number and the selling price of the bonds that are being transferred. After receiving the Announcement the Company must announce it to the shareholders via NASDAQ OMX Vilnius immediately, but no later than the second work day. The Company's shareholders who were the shareholders of the Company on the end, that is, at 5 p. m. of the day of publishing the Announcement via NASDAQ OMX Vilnius have the priority right to purchase all the convertible bonds that are being transferred. The Company's shareholders who request to purchase the convertible bonds that are being transferred must inform the Company of such request no later than 10 (ten) days after the day the Company received the Announcement of the convertible bonds holder.

The Company will inform the holder of the convertible bonds about the Company's shareholders requests to purchase all the convertible bonds he is transferring not later than within 14 days since the day the Company received the Announcement of the convertible bonds holder.

If during the indicated period of time one or few of the Company's shareholders have declared the request to purchase all the convertible bonds that are being transferred, the holder of the convertible bonds must transfer the convertible bonds to the shareholders (one or few) who have declared the requests and the latter must buy all these convertible bonds for the price not less than indicated in the Announcement, paying all the price not later than within 20 (twenty) days since the day the Company received the Announcement of the convertible bonds holder, unless it was agreed otherwise with the holder of the convertible bonds.

If the demand of the convertible bonds exceeds its supply, the convertible bonds are distributed to the Company's shareholders who requested to purchase the convertible bonds by proportion to the number of the Company's shares they are holding.

If in 14 (fourteen) days since the day the Company received the Announcement of the convertible bonds holder (a) the Company informs the convertible bonds holder that the Company's shareholders do not request to purchase the convertible bonds that are being transferred, or (b) does not inform, or (c) the Company's shareholders (or at least one of them) who were indicated in the Company's information to the convertible bonds holder and who requested to purchase the convertible bonds do not pay the price (or a part of it) of the convertible bonds within 20 (twenty) days since the day the Company received the Announcement, the convertible bonds holder gains a right to sell the convertible bonds at his discretion to any third persons for price, not less than indicated in the Announcement.

If the convertible bonds or part of them are transferred, all the guarantees of bonds holder indicated in this decision, including the adoption of the appropriate decisions only with the advance approval of the holder of more than fifty percent issued convertible bonds of this emission that are not converted into the Company's shares, the right to request to redeem or to convert the bonds or part of them before the term, but not limited, are applicable to the transferred bonds only if the bonds were transferred according to the terms indicated in this agreement, the Company was informed about the new bonds holders and new bonds holders confirmed in writing that they are acquainted to this decision and the terms indicated and oblige to comply with it.

*The rate at which convertible bonds shall be converted into shares of the Company*

If the convertible bonds are converted into shares on the redemption day, one convertible bond of 57 345 EUR (fifty seven thousand three hundred forty five Euro) nominal value shall be converted into ordinary registered shares of the Company at ratio 1:198 000, i.e. one convertible bond shall be exchanged into 198 000 (one hundred ninety eight thousand) ordinary registered shares of the Company.

If the convertible bonds are converted into shares in the period as from 12-01-2010 till the redemption day (this day is not inclusive), the ratio at which the convertible bonds shall be converted into shares, is calculated as follows:

- a) first of all, the value of one convertible bond on the convert day shall be determined under the formula:

$$27\,151,88 \text{ EUR} * ((1 + 0,15 / 12) ^ x) * 3,4528 = v$$

Where:

^ - involute;

x – term calculated by months as from the beginning of the bonds validity till the day when all or the part of the convertible bonds are converted into shares. If the convertible bonds or part of the bonds are converted into the shares as from the calendar day 13 till calendar day 27 (inclusive) of the appropriate month, than the appropriate month shall not be added as calculating “x”. If the convertible bonds are converted as from the calendar day 28 till calendar day 12 (inclusive) of the posterior month, than the last-mentioned month shall be added as calculating “x” (e.g., if the convertible bonds are converted on 13-02-2010, than “x” shall be equal to 1; if – 12-03-2010, than “x” shall be equal to 2);

v – the value of the convertible bond on the convert day in Litas.

- b) afterwards the ratio at which one convertible bond shall be converted into shares is determined under the formula:

$$v * 3,4528 = s$$

Where:

v – the value of the convertible bond on the covert day;

s – ratio put in Litas at which one convertible bond shall be converted into shares.

If the ratio at which one convertible bond shall be converted into shares is not a whole number, the ratio shall be rounded to the next whole number according to the arithmetical rules.

*Data on shares for which the convertible bonds shall be converted:*

- a) The class – ordinary registered shares;
- b) The maximum number of the shares for which the issued convertible bonds might be converted – 3 168 000 shares;
- c) The nominal value – 1 (one) Litas;
- d) The rights attached thereto – all the property and non-property rights indicated in the Law on Companies of Republic of Lithuania, other laws and legal acts as well as indicated in By-laws of the Company. The shares that shall be issued on convert of the bonds shall be immediately included to the same list in AB NASDAQ OMX Vilnius where the ordinary registered shares of the Company shall be.

*The terms of the exchange of the convertible bonds into the shares*

If the bonds holder chooses to convert the bonds into the shares, he has to submit a written request to the Company as from 12-01-2010 till 11-12-2014 inclusive.

If the bonds holder submits the request to convert all or part of convertible bonds into the shares of the Company, the Company obliges to convert the indicated number of bonds into the ordinary shares

within 15 (fifteen) working days of such a request receipt, unless the request of the bonds holder indicates the later day of conversation which in any way cannot be subsequent than the redemption day.

If the request to convert bonds or part of the bonds into the shares is not submitted by the bonds holder to the Company until 11-12-2014 (inclusive), bonds or part of the bonds are not converted into shares, bonds are redeemed on 12-01-2015.

*Interest and the terms of payment thereof*

The interest rate of the convertible bonds – 0 (zero) percent. The convertible bonds are acquired for the discounted price and redeemed for the nominal value on the redemption day.

The average profitability before the redemption is 15 (fifteen) percent of annual interest calculated from the discounted price of the bonds. Interest is calculated every month. The shareholders understand and confirm that because the interest shall not be paid till the redemption day, the interest shall be of average profitability till the calculation of the redemption and for the purpose of determination of the convertible bonds value as from 12-01-2010 till 12-01-2015 (inclusive) shall be calculated and for the interest already calculated.

*The term of the redemption of the convertible bonds*

The convertible bonds shall be redeemed on 12-01-2015. The Company shall not have a right to request to redeem the convertible bonds prior to the redemption date.

The convertible bonds holder shall not have a right to request to redeem the convertible bonds prior to the redemption date, except in case when all the bonds holder (holders) of the 5 year term convertible bonds of 3 432 000 EUR nominal value issue use their right to redeem the bonds before the redemption day and the Company redeems all the convertible bonds of the aforementioned issue, i.e. the bonds holder of this convertible bonds issue has a right to request to redeem the bonds before the redemption day after all the bonds of 5 year term convertible bonds of 3 432 000 EUR nominal value issue are redeemed and the Company is fully settled with the bond holders of the aforementioned issue.

If any of early performance events occurs, the Company must inform all the bond holders immediately. In that case the holder of more than fifty percent issued convertible bonds of this emission that are not converted into the Company's shares (calculating as from the number of the issued convertible bonds on the issue day) (i.e. this rule is applicable if fifty percent issued convertible bonds of this emission that are not converted into the Company's shares belongs to one holder) or his representative shall have a right as indicated in the bonds subscription agreement to vote for the prior redemption of the bonds. If the aforementioned holder or his representative votes for the prior redemption of the bonds, the Company within 7 (seven) calendar days since receiving the documents confirming the holder's decision must redeem all the convertible bonds for the contemporary value, increased by the coefficient of 1,05, i.e. for the price calculated under the formula:

$$27\,151,88 \text{ EUR} * ((1 + 0,15 / 12) ^ x) * 1.05 = k$$

Where:

^ - involute;

x – term calculated by months as from the beginning of the convertible bonds validity till the day when all or the part of the convertible bonds are redeemed. If the convertible bonds or part of the bonds are converted into the shares as from the calendar day 13 of the appropriate month till calendar day 1 (inclusive) of the posterior month, than the appropriate month shall not be added as calculating "x". If the convertible bonds are converted as from the calendar day 2 till calendar day 12 (inclusive) of the appropriate month, than the last-mentioned month shall be added as calculating "x" (e.g., if the convertible bonds are converted on 12-02-2010, than "x" shall be equal to 1; if – 13-02-2010, than "x" shall be equal to 2);

k – the price of the convertible bond on the redemption day in Euro.

If the bonds holder or the intermediary of public trading in securities managing his securities accounts does not claim the redemption of the bonds within 3 years after the redemption date, the bonds holder shall lose the right of claim.

The decision of the General Meeting of the Shareholders to issue 917 520 EUR (nine hundred seventeen thousand five hundred twenty Euro) nominal value non-public convertible bonds is also the decision to increase Company's share capital by 3 168 000 LTL (three million one hundred sixty eight thousand Litai). The share capital of the Company shall be increased by the amount equal to the total nominal value of shares convertible bonds were converted to, if the bonds holder submitted a written request to the Company to convert the bonds within the period indicated in this decision. The Board of the Company is authorized to change in By-laws of the Company the size of the share capital and number of shares and to provide the amended By-laws to the Register of Legal Entities. In this case the payment for the convertible bonds shall be the payment for the shares into which the bonds are converted.

#### **4. Withdrawal of all shareholders pre-emptive right to acquire bonds of convertible bonds issue**

To withdraw all shareholders pre-emptive right to acquire bonds of 917 520 EUR (nine hundred seventeen thousand five hundred twenty Euro) convertible bonds issue. The right to acquire entire convertible bonds issue – 16 units of total nominal value of 917 520 EUR - is granted to private company concern „SBA“, registered office at K.Donelaičio str. 62, Kaunas, business office Laisvės ave. 3, Vilnius, legal entity code 132206739. The reason for withdrawal of the pre-emptive right is rearrangement the debts of the Company in order to secure the fulfillment of the liabilities of the Company.

#### **5. Increase of the share capital of the Company related to issues of convertible bonds**

As the decision of the General Meeting of the Shareholders to issue 3 432 000 EUR nominal value non-public convertible bonds and 917 520 EUR nominal value non-public convertible bonds is also the decision to increase Company's share capital by 15 018 000 LTL (fifteen million eighteen thousand Litai), to change the By-laws of the Company and to adopt new revision of By-laws (the draft of the new revision of the By-laws is attached to the minutes).

If the convertible bonds holders choose to convert only the part of the bonds into the shares of the Company during the period indicated by this General Meeting of the Shareholders, the Board of the Company is authorized to change in By-laws of the Company the size of the share capital and number of shares and to provide the amended By-laws to the Register of Legal Entities. The share capital of the Company shall be increased by the amount equal to the total nominal value of shares convertible bonds were converted to. The authorized capital of the Company may be increased and submitted to register to the Register of Legal Entities for several times, as the bonds holders of 3 432 000 EUR and 917 520 EUR convertible bonds issues shall have a right to convert any part of the bonds into the shares at any time during the indicated period.

#### **6. Authorization**

To authorize the general manager of the Company Mr. Nerijus Vilūnas to perform all the actions related to the fulfillment of the decisions of the General Meeting of the Shareholders to issue the convertible bonds and to amend the By-laws, including signing the convertible bonds subscription agreements with „Swedbank“, AB, and private company concern „SBA“, but not limited.