

## **PUBLIC COMPANY SNAIGÈ ARTICLES OF ASSOCIATION**

### **1. General provisions**

1.1. The Public Company Snaigè (hereinafter referred to as the Company) is established in accordance with the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania (hereinafter referred to as the Law on Companies), other legal acts of the Republic of Lithuania, and resolutions of the Government.

1.2. The Company is a private legal person that possesses commercial, economic, financial, legal and managerial autonomy and that operates in accordance with the laws of the Republic of Lithuania, resolutions of the Government, other legal acts, and these Articles of Association.

1.3. The full name of the Company is the Public Company Snaigè; in abbreviated form it is Snaigè AB.

1.4. The registered office of the Company is at Pramonės g. 6, LT-62175 Alytus, Republic of Lithuania.

1.5. The company is of limited civil liability. According to its liabilities, it is liable only for its assets. According to the liabilities of the Company, the shareholders are liable only for the amount of money they are bound to pay for the subscribed shares.

1.6. The financial year of the Company coincides with the calendar year.

1.7. The duration of activity of the Company is unlimited.

### **2. Operational objectives and activities**

2.1. The objectives of the Company are generating profit and serving the interests of the shareholders.

2.2. The Company manufactures refrigerators and freezers, manufactures electric domestic appliances and devices (27.51), and undertakes other activity not forbidden by the laws of the Republic of Lithuania.

The Company may perform any legal activity. Activity licensed according to the laws or exclusively regulated by other legal acts must only be performed after the Company obtains the appropriate license or permission.

### **3. Company's powers**

3.1. The Company has the right to have bank accounts registered in banks in the Republic of Lithuania and in banks registered in other countries, to have a seal, and to change it and employ it at its own discretion.

3.2. The Company has the right to perform economic activity in the Republic of Lithuania and outside its boundaries.

The Company has the right to buy or purchase assets in any manner, as well as the right to sell, lease, pledge, or settle it in any other manner.

3.4. The Company has a right to estimate prices, valuation and tariffs for its products, services rendered and other resources, except for cases established by the law.

3.5. The Company has a right to settle payments with suppliers and customers for goods and services in any agreed form.

3.6. The Company has a right to establish its internal structure, branches, and representative offices in Lithuania and other countries and to define their status and activity.

3.7. The Company has a right to reorder and to be an incorporator and shareholder of another Company.

3.8. The Company has a right to join associations, affiliate group of corporations, or syndicates if such action is not subject to prohibition by the law.

3.9. The Company has a right to draft and implement payment systems for pensions, allowance bonuses, premiums, and privileges.

3.10. The Company has a right to appropriate resources for charity, health protection, culture, science, education, sports, and clean-up of natural disasters and consequences of emergency situations.

3.11. The Company has a right to accept, alter, and supplement its Articles of Association, regulations, and policy.

3.12. The Company has a right to estimate and pay dividends to shareholders at its own discretion.

3.13. The Company has a right to borrow money from its shareholders, both legal and natural entities, in cases established by the law. When borrowing money from its shareholders, the Company has no right to pledge its assets to shareholders. When borrowing money from its shareholders, the interest shall not exceed the average interest rate of the lender's commercial banks located in the area of his residence or business on the day the loan agreement is concluded. In this case, the Company and its shareholders are forbidden to agree on a higher rate of interest.

3.14. If the Company fails to settle payments for creditors within established terms and the total debt for these creditors is more than 1/20 of the authorised capital of the Company, the latter is obligated to inform the aforementioned creditors about its plans to invest money or assets into another legal person.

3.15. The Company has the right to have other rights not contradicting the law.

#### 4. Authorised capital of the Company

4.1. The authorised capital of the Company is LTL 30,735,715 (thirty million seven hundred thirty five thousand seven hundred fifteen).

4.2 The authorised capital of the Company may be increased by resolution of the general meeting or decreased by resolution of the general meeting or by a court decision in cases established by the Law on Companies.

4.3. The authorised capital of the Company cannot be less than ½ of the authorised capital specified in the Articles of Association.

4.4. The procedure of increasing or decreasing the authorised capital of the Company is to be completed in the order established by the Law on Companies.

## 5. Shares of the Company

The authorised capital of the Company is LTL 30,735,715 (thirty million seven hundred thirty five thousand seven hundred fifteen). The nominal value of one share is LTL 1 (one).

5.2. The Company's shares are securities upholding the right of its holder (shareholder):

5.2 1. to participate in the management of the Company,

5.2.2. to receive dividends. The dividend of paid-up shares will be reduced if the last payment was made in the financial year for which the dividend is being paid.

5.2. 3. to receive the part of the assets of the Company that remain after liquidation.

5.2.4 to receive shares without payment if authorised capital is increased with Company finances.

5.2.5 to have the pre-emption right except in cases when in the rules established the in Law on Companies the general meeting decides to withdraw the pre-emption right for all the shareholders in acquiring the Company's newly issued shares or debentures.

5.2.6 to lend money to the Company in the manner prescribed by the law.

5.2.7 to sell or otherwise transfer or bequeath all or part of the shares to other persons.

5.2.8 to participate and vote in general meetings. The right to vote at general meetings may be withdrawn or restricted in cases established by the law of the Republic of Lithuania or the ownership of shares is contested.

5.2.9 to receive information about the business activities of the Company in the manner and conditions established in the Articles of Association.

5.2.10. to appeal to a court against the non-fulfilment or improper fulfilment of duties of the manager of the Company or a member of the Board as established in the law and the Articles of Association of the Company, as well as in other cases established by the law.

5.2.11 shareholders may have other property and non-property rights provided for by the law.

5.3. The Company may have an issue of ordinary shares having the status of employee shares according to the regulations specified in the Law on Companies.

5.4.. The Company has a right to purchase its own shares. In order to purchase its own shares, the Company is obligated to submit an official proposal according to the regulations provided for by legal acts regulating the securities market.

5.5. The Company has no right to employ the property or non-property rights granted by purchased shares. Acceptance of shares for liability security is equated to the purchase of own shares.

5.6.. The total nominal value of the Company's own purchased shares together with the nominal value of the shares already in stock cannot exceed 1/10 of the authorised capital.

5.7. Own shares may be purchased only upon adoption of a resolution of the general meeting. The resolution of the general meeting must define:

- 1) the goal of the purchase of shares;
- 2) the maximum number of shares allowed for purchase;
- 3) the time limit for the public company to purchase own shares, but not longer than 18 months;
- 4) the maximum and the minimum price of purchased shares.
- 5) the procedure for selling own shares and the minimum selling price, ensuring equal opportunities for all shareholders in acquiring the Company's shares.

5.8. The Company is forbidden to purchase its own shares if equity capital becomes less than the amount of authorised capital, required reserve, and reserve for acquisition of own shares.

5.9 The Company is forbidden to acquire own shares that are not fully paid up.

5.10. The Company may purchase own shares only if it has a reserve for acquisition of own shares or a reserve is formed in the Company and the amount thereof is not less than the total of the acquisition cost of the own shares

## 6. Management bodies of the Company

6.1. The management bodies of the Company are the following:

6.1.1 General meeting of shareholders (hereinafter—the general meeting).

6.1.2 A board of directors comprising five members and elected for 4 years.

6.1.3. The manager of the Company—managing director.

6.2. The convening and the powers of the General Meeting of Shareholders shall conform to the procedures of convening and the powers of the General Meeting of Shareholders stipulated in the Law on Companies, except where these Articles of Association provide otherwise.

6.3 The General Meeting of Shareholders shall elect and remove the Board of the Company in compliance with the procedure prescribed by the Law on Companies. The Board of the Company shall have the right to adopt a decision on issuing debentures, as well as, following the procedure approved by the General Meeting of Shareholders, to resolve the matters related to the establishment of remuneration to the Board members. The Board's powers with regard to other

matters shall conform to the powers stipulated in the Law on Companies. The working procedure of the Board shall be laid down in the rules of procedure of the Board.

6.4 The scope of powers of the manager and procedure for electing and removing the manager of the Company must not differ from those laid down in the Law on Companies.

6.5. The members of the Board of the Company shall enter into agreements on their activity within the Board. Remuneration may be paid to the Board members of the Company for their activity within the Board of the Company. The General Meeting of Shareholders of the Company shall approve the form of the agreement with the Board members of the Company and the procedure for payment of remuneration by the Company for the activity of the Board members.

## 7. Auditor of the Company

7.1. The general meeting must select an auditor and establish conditions for the payment of the auditor's services.

7.2. After the termination of the financial year and prior to the general meeting, the auditor is obligated to audit the annual accounts of the Company and submit an opinion and report to the board of the Company.

7.3. The administration and the board of directors of the Company is obligated to supply the auditor with all the financial documents of the Company required by the auditor.

7.4. The auditor is obliged to keep the Company's secrets he learns while supervising the Company's activity.

7.5. The audit must be carried out according to the legal acts regulating the audit and auditor's operations.

## 8. Company's accounting and approval of profit (loss)

8.1 The general meeting must approve the annual accounts of the Company. Only audited annual accounts are subject to approval.

8.2 Company's annual accounts, the Company's business report, and the auditor's opinion must be submitted to the manager of the register of legal entities not later than 30 days from the general meeting.

8.3 Upon the approval of the annual accounts by the general meeting, the latter must appropriate the distributable profit (loss).

8.4 The appropriation of the profit (loss) must be conducted according to the regulations established in the Law on Companies.

8.5. The decision to appropriate the profit (loss) of the Company by the general meeting must contain:

- 1) unappropriated profit (loss) at the beginning of the financial year;

- 2) net profit (loss) of the financial year;
- 3) transfers from the reserves;
- 4) shareholders' contributions to cover the losses of the company (if shareholders decide to cover all or some part of losses);
- 5) total profit/loss available for appropriation;
- 6) the share of profit allocated to the legal reserve;
- 7) the share of profit of the company allocated to the reserve to acquire own shares;
- 8) the share of profit allocated to other reserves;
- 9) the share of profit for the payment of dividends.
- 10) the share of profit for the payment of annual bonuses to board members, payment of incentives to workers, and other allocations (not more than one-fifth of the net profit of the financial year)
- 11) unappropriated profit (loss) at the end of the accounting financial year transferred to the other financial year.

8.6. If the Company fails to pay statutory taxes within the required deadline, it may not pay dividends, annual bonuses to board members, or incentives to its employees.

8.7 The appropriation of the profit (loss) must be conducted according to the regulations established in the Law on Companies.

## 9. The procedure for publishing the notices of the Company

9.1 The time limit and the procedure for publishing the notice of convening the General Meeting are as follow in the Law on Companies and the Law on Securities. The board of directors of the Company or the persons or authority that adopted the decision to convene the general meeting must present the Company information and documents required for preparing a notice for the general meeting. The notice of the general meeting to be convened must include:

- the name, the address of the official office, and the code of the company;
- the date, time, and venue (address) of the meeting;
- the shareholders meeting record date with explanations that participation's right and right to vote has only the persons who are shareholders at the end of record day;
- rights record day if shareholders decisions reached in shareholders meeting are related with property rights according The Law on Companies.
- the agenda of the meeting;
- the persons on whose initiative the general meeting is being convened;
- the body of the Company or the persons or authority that adopted the decision to convene the general meeting;

- the purpose and intended method of the reduction of capital when the issue of the reduction of authorised capital is on the agenda of the general meeting.

9.2. Notices are provided in the cases specified in the Law on Companies, in the Law on Securities and in other laws of Republic of Lithuania according to the procedures established in the Law on Companies and in this articles of association.

9.3. Public notices which according the Law on Companies and in other laws of Republic of Lithuania must be published publicly in the daily are publishing in the daily “Kauno diena” according terms and method of the Civil code, the Law on Companies and other laws of Republic of Lithuania.

#### 10. Procedure for submission of the Company’s documents and other information

10.1 At a shareholder’s written request, the Company must within 7 working days from the receipt of the request present to him for inspection and/or duplication the copies of the following documents: articles of association of the Company, annual accounts, annual report, auditor’s opinions and auditor’s reports, the minutes of the general meeting of shareholders or other documents completing the decisions of the general meeting, the list of shareholders, or other documents that are public according to the law. A shareholder or a group of shareholders who holds or controls more than one half of the shares has the right of access to all Company documents upon giving the company a written pledge in the form prescribed by the Company not to disclose any commercial/industrial secrets. At a shareholder’s request, the Company must execute in writing its refusal to submit the documents. Disputes relating to a shareholder’s right to information are to be settled in court.

10.2. Company documents, their copies, or other information must be furnished to the shareholders upon evaluation of the approved costs for copying and sending the documents.

#### 11. Procedure for the establishment of branches and representative offices of the Company

11.1. The Company has a right to establish branches and representative offices in the Republic of Lithuania and foreign countries according to legal regulations.

11.2. Decisions to establish branches and representative offices of the Company, termination of their activities, and approval of the provisions are to be adopted by the board of directors of the Company pursuant to the law and the articles of association. The manager of the branch (representative office) is assigned and dismissed by the decision of the board.

11.3 Upon adoption of a decision to terminate the activity of a branch or representative office of the Company, the board of directors of the Company must assign a person to perform the procedure to terminate the activity.

## 12. Procedure for amending the articles of association

12.1 The articles of association are to be amended by the decision of the general meeting adopted by at least a two-thirds majority of the shareholders attending the general meeting except in cases laid down in the Law on Companies.

12.2 Following the decision of the general meeting to amend the articles of association of the Company, the full text of the amended articles of association must be prepared and signed by a person authorised by the general meeting.

12.3 The manager of the Company must submit the amended articles of association of the Company and the documents confirming the decision to amend them to the manager of the register of legal entities within the time limit established by the law.

Regarding all other issues not discussed herein, the Company must follow the Civil Code of the Republic of Lithuania, the Law on Companies, other laws and legal acts of the Republic of Lithuania.

The person authorised by the general meeting Gediminas Čeika

These Articles of Association were signed on \_\_\_\_in two thousand and twelve.