

**By-laws of  
Telia Lietuva, AB**

**1. GENERAL PART**

1.1. Status

Telia Lietuva, 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.

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: Telia Lietuva, AB.

**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;

"CEO" 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. "Group Company" means any one of such companies;

"Shareholder" shall mean any shareholder of the Company;

**3. BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY**

3.1. Establishment of Branches and Representative Offices of the Company

The Company shall establish its branches and representative offices as well as terminate activity thereof by decisions of the Board according to the requirements stated in the law. The appointment and dismissal of heads of representative offices shall be approved by the Board. The branches and representative offices shall act in accordance with the regulations approved by the Board.

**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 equity value by effectively and

efficiently developing legal economic-commercial activities in Lithuania and abroad, promoting consumption of services (including without limitation services related to digital (or any other similar technology-based) cellular, paging, internet, international connection, wireless data and public wired data networks, engages in activities related to sales of IT and data hosting and other services and goods, as also provides services related to telecommunications and electronic communications networks and other services related to electronic communications and information technology) and products as well as creating new services (including without limitation electronic communications and IT services) and products, to increase productivity of activity and work effectiveness, strive for profit, develop business as well as to assure interests of the Company and its Shareholders.

4.2. The Company can engage in any legal economic–commercial activity.

4.3. The Company may engage in any other activities, which do not contradict the aims of activities of the Company and legal acts of the Republic of Lithuania.

4.4. 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.

## **5. COMPOSITION OF THE AUTHORIZED CAPITAL OF THE COMPANY**

5.1. The Authorized Capital

- 1) The authorized capital of the Company is equal to 168,957,810.02 (one hundred sixty eight million nine hundred fifty seven thousand and eight hundred ten euros and two cents) euro.
- 2) The authorized capital of the Company is divided into 582 613 138 (five hundred eighty two million six hundred thirteen thousand and one hundred thirty eight) ordinary registered shares of 0.29 (twenty nine hundredth of euro) euro 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 (accounts 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.

## **6. RIGHTS OF HOLDERS OF ORDINARY REGISTERED SHARES AND THE MEANS OF EXERCISING SUCH RIGHTS**

6.1. Voting Right

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 shall have the right to demand from the Company to pay the dividend thereto as a creditor of the Company. 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 has unfulfilled obligations and the terms of these obligations are overdue before the decision is declared;
  - 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 shall, not later than within 7 days after the receipt of the request, provide the Shareholder with access to and (or) present with the Company's Articles of Association, annual and interim financial statements, the Company's annual and interim reports, auditor's conclusions and audit reports of the financial statements, the minutes of General Meetings or other documents, which include the decisions of the General Meeting, the Shareholders' lists, lists of members of the Board, other documents of the Company, which must be publicly accessible by law. The Company may refuse to provide the Shareholder with access and (or) copies of documents related to the commercial (industrial) secret of the Company, confidential information, unless the Company's information is required by the Shareholder to implement the mandatory requirements provided for in other legal acts and the Shareholder ensures the confidentiality of such information. The Company may further provide information to the Shareholder in case it is necessary for the Shareholder group's consolidated financial statements, consolidated reports, consolidated risk management or other consolidated projects when the Company is part of such consolidation. The Company shall provide the Shareholder with access to the Company's other information and (or) to provide copies of documents if such information and documents, including information and documents related to the Company's commercial (industrial) secret and confidential information, are necessary for the Shareholder to fulfil the requirements provided for in other legal acts, and the Shareholder ensures the confidentiality of such information and documents. The company refuses to provide a Shareholder with copies of documents if the identity of the Shareholder requesting the documents cannot be established. The Company has to refuse to provide the shareholder with access to and (or) submit copies of documents in writing if the shareholder so requests.

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 CEO of the Company or the representative of the Company authorized by the CEO. The documents and information presented to the Shareholders for copying are chargeable. The fee is 0.29 (twenty nine hundredth of euro) euro 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

A Shareholder shall have a right to authorize another person to vote for him/her 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 other persons and set the ways and procedure for execution of the voting right by the agreement on assignment of the voting right.

#### 6.8. Obligations 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 favour". The Shareholders, who have not participated in the General Meeting or voted "against" in regard to the decision in question, shall be entitled not to pay the additional contributions.

#### 6.9. Other Rights

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

### **7. THE BODIES OF THE COMPANY**

#### 7.1. The bodies of the Company shall be:

- 1) General Meeting;
- 2) Board;
- 3) CEO.

#### 7.2. Supervisory Council

The Company shall not have a Supervisory Council.

### **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, CEO and other employees 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 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 document proving his/her identity. 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 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 or audit company for performing an audit on financial statements and annual report, to 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 description of the procedure for conversion of shares;
- 8) to adopt the decision to change the number of shares issued by the Company of the same class and the nominal value of the share without changing the amount of the authorized capital;
- 9) to approve the Company's annual financial statements;
- 10) to adopt the decision regarding the distribution of profit (loss);
- 11) to adopt the decision regarding the formation, usage, reduction and termination of reserves;
- 12) to approve the interim financial statements, drawn up in order to make a decision on allocation of dividends for a period shorter than one financial year;
- 13) decide on the allocation of dividends for the period shorter than one financial year;
- 14) to adopt the decision to issue convertible bonds;
- 15) 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;
- 16) to increase the Company's authorized capital;
- 17) to reduce the Company's authorized capital, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- 18) to adopt the decision for the Company to acquire its own shares;
- 19) to adopt the decision regarding the procedure for granting shares to the employees and (or) to the members of bodies of the Company
- 20) to adopt decisions pertaining to reorganization or separation of the Company and approve the conditions for such reorganization or separation;
- 21) to adopt the decision on rearrangement of the Company;
- 22) to adopt the decisions on restructuring of the Company in cases stated in Law on Restructuring of Companies;
- 23) to adopt the decision on liquidation of the Company or revocation of the liquidation, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- 24) to elect and recall the Company's liquidator, except for the cases provided for in the Law on Companies of the Republic of Lithuania;
- 25) to oblige the Board and the CEO to solve issues falling under their competence;
- 26) to resolve other issues, addressed to the competence of General Meeting in the laws of the Republic of Lithuania and the present By-laws unless in accordance with the law they are assigned to other bodies of the Company or in essence they are attributable to the functions of the management bodies.

### 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 favour" 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, 6-8, 10-11, 13-14, 16-17, 19-23 of Article 8.2 hereof.
- 3) A qualified majority of 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 14 of Article 8.2 hereof.

### 8.4. Right to Initiate 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 1/10 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 1/2 of the whole 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 equity of the Company falls below 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 2/3 of their number specified in item 1 of Article 9.1 hereof;
- 3) the auditor or auditing company terminates the agreement with the Company or for any other reasons may not inspect the documents of the annual financial statements of the Company, in cases if audit is obligatory required by the law or By-laws;
- 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 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 votes, may also make proposals regarding new draft decisions on the issues, included into the agenda for the General 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 deemed occurred in case the attending Shareholders have more than ½ 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 of Authorized Employees of the Company at the General Meeting

The Members of the Board, CEO, representatives of the audit company as well as other authorized employees of the Company may be invited to attend the General Meeting and shall respond to questions raised thereat by the Shareholders. The persons, mentioned above in this Article, who are invited to attend the General Meeting, 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.

### 9. THE BOARD

#### 9.1. Status of the Board

- 1) The Members of the Board constitute 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 according to 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 CEO and other officers at convenient time. At such time all books, records and accounts relating to the business and affairs of the Group shall be open to the inspection of the Member of the Board who may make copies or extracts thereof if such person reasonably requires 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 CEO.

- 2) The Board shall consider and approve:
  - a) the strategy of activities of the Company;
  - b) the annual report of the Company;
  - c) the interim report of the Company
  - d) the structure of governance of the Company and positions of the employees;
  - e) the positions to which employees shall be hired through a contest, and nominees to such positions;
  - f) nominees to the positions directly reporting to the CEO, remuneration and dismissal from the positions;
  - g) 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 CEO, 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 analyse and assess materials provided by the CEO concerning the following:
  - a) implementation of the strategy of the activities of the Company, provides this information to the Annual General Meeting;
  - 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 including related feedbacks and proposals and shall present them to the General Meeting; submits to the General meeting project of decision on the dividends for the period shorter than financial year and the interim financial statements drawn up to make the decision together with the Company's interim report including related feedbacks and proposals.
  - f) draft rules for granting the shares to the employees and (or) to the members of bodies, which, together with feedback and proposals for it, are submitted to the General Meeting.
- 6) The Board shall have the authority, among other things, to create committees 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. The Board approves the regulations of such committees.
- 7) The Board shall adopt:
  - 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, when the amount of the concluded transactions (calculated separately in regard to each type of transaction) exceeds 1 600 000 (one million six hundred thousand) euros, excluding applicable value added tax;



- d) decisions on issuing of guarantees or on securing of implementation of obligations of the third parties;
  - e) decisions to incorporate the branches and representative offices;
  - f) decisions concerning approval of the annual and interim reports of the Company and their 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 CEO 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) decisions on transactions with related parties as prescribed by law;
  - k) decisions on transactions where such transactions have a significant impact on the Company, its finances, assets, liabilities; the transaction has a significant impact on the Company, its finances, assets, liabilities, if due to such a transaction the Company faces a real risk that it will not be able to meet its financial obligations in a timely manner, the Company's assets may increase or decrease by more than 20% per one year, the Company's liabilities may decrease or increase by more than 20% per year;
  - l) 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 is responsible for convocation of General Meetings in a timely manner.
  - 9) The Board performs functions that are attributed to authority of managing body as described in the Law on Restructuring of the Companies.
  - 10) The Board supervises the activities of the CEO of the Company, submits to the General Meeting feedback and suggestions on the activities of the CEO of the Company;
  - 11) The Board is considering whether the CEO of the Company is fit for taking the office if the Company is operating at loss;
  - 12) The Board submits proposals to the CEO of the Company to annul its decisions, which are in conflict with laws and other legal acts, the Articles of Association of the Company, decisions of the General Meeting or the Board;
  - 13) The Board shall decide on other issues assigned to the competence of the Board in the Company's By-laws and decisions of the General Meeting related to the supervision of the activities of the Company and the CEO of the Company.

#### 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 deemed occurred and the decision of the Board shall be lawful in case no less than 2/3 of the Members of the Board participate in the meeting. The Members of the Board may vote only "in favour" or "against" the proposed draft decision. The decision of the Board shall be held valid in case it receives more "in favour" 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 of Member of the Board

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, independently or with other person or entity, control other person or entity or are controlled by other person or entity.

### 10. CEO

#### 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 CEO and the work regulations of the administration.

#### 10.2. CEO

The CEO is the head of the Company. CEO 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 CEO shall comply with the requirements, raised by the laws of the Republic of Lithuania.

#### 10.3. Appointment, Dismissal and Remuneration of the CEO

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 CEO. An employment agreement with the CEO shall be signed by the chairman of the Board or another person, authorized by the Board. An employment agreement with the CEO, who is the chairman of the Board, shall be signed by a Member of the Board authorized by the Board. The remuneration of the CEO shall comprise a fixed salary and bonuses (premiums), payable contingent on the results of the Company's activities and performance of the CEO.

#### 10.4. Activities of the CEO

The CEO 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 CEO 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) draw a draft decision on the allocation of dividends for the period shorter than financial year, draw the interim financial statements and prepare the interim report for adoption of the decision on dividends for a period shorter than financial year;

- 4) report on the current operations of the Company and status of the Group at each meeting of the Board;
- 5) perform the functions delegated to him by the Board and implement decisions adopted by the General Meeting;
- 6) represent or procure the representation of the Company before companies, authorities, organizations, courts, arbitration and in relations with any third party;
- 7) open or close accounts with banking institutions and dispose of the funds therein;
- 8) execute the Company's transactions pursuant to the By-laws, decisions of the General Meeting and the Board;
- 9) issue authorizations to other persons to perform his functions within the scope of his authority;
- 10) issue procurations;
- 11) issue internal documents regulating the work of the administration, and other structural units;
- 12) 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);
- 13) 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;
- 14) ensure the protection and increase of the Company's assets, normal working conditions, and protection of commercial secrets;
- 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) provide reports to the Shareholders and the Board on major events that are relevant to the Company's activities;
- 19) comply with legal requirements when concluding transactions with related parties;
- 20) in the cases provided by laws, prepare the rules for the procedure for granting the shares to the employees and (or) to the members of bodies;
- 21) 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 CEO shall be entitled to make and certify extracts from/copies of these By-laws and other documents of the Company. The CEO shall be entitled to delegate such right to any employee of the Company.

#### 10.6. Work Regulations of the Administration

The work regulations approved by the CEO shall define the duties and authority of the CEO and other officers of the Company in more details, subject to the limits of authority of the CEO, established by the laws, these By-laws and the decisions of the General Meeting and the Board.

#### 10.7. Annual Business Plan

The CEO 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 CEO shall be liable for his/her actions in the cases and under procedure established by laws of the Republic of Lithuania.

### 11. THE COMPANY'S AUDITING ENTERPRISE OR AUDITOR

#### 11.1. Election

The Company's financial statements and the annual report of the Company prepared by the CEO shall be audited by an auditor or 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.

#### 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.

### 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.

### 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 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. 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 CEO.

### 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 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.