

ARTICLES OF ASSOCIATION
Stock company Pieno Žvaigždės

I. GENERAL PROVISIONS

1. Public limited liability company Pieno Žvaigždės (hereinafter referred to as the “Company”) is a private legal entity of limited civil liability, which is economically, financially and organisationally independent and the authorised capital of which is divided into shares.

2. In its activities, the Company shall follow these Articles of Association, the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Companies, and other laws and regulations of the Republic of Lithuania.

3. The legal form of the Company shall be a public limited liability company.

4. The Company shall be set up for a period of unlimited duration.

5. The financial year of the Company shall be a calendar year.

6. The name of the Company shall be public limited liability company Pieno Žvaigždės (AB Pieno Žvaigždės).

II. GOALS AND THE OBJECT OF THE COMPANY’S ACTIVITIES

7. The goal of the Company’s activities is to seek profit from its activities by meeting the needs of natural persons and legal entities for services rendered and work performed, also by making investments. The Company shall also be capable of conducting unprofitable transactions in order to avoid losses (bigger losses) or provide the employees of the Company with better conditions of work or life. The character of the main activity is production of dairy products.

8. The object of the Company’s activities shall be (types of activities are indicated according to the Statistical Classification of Economic Activities Rev. 2, approved by Order No. DJ-226 of the Director General of the Department of Statistics under the Government of the Republic of Lithuania, dated 31 October 2007):

8.1. manufacture of food products (10);

8.2. manufacture of soft drinks; production of mineral waters and other bottled waters (11.07);

8.3. civil engineering (42);

8.4. wholesale trade, except of motor vehicles and motorcycles (46);

8.5. retail trade, except of motor vehicles and motorcycles (47);

8.6. land transport and transport via pipelines (49);

8.7. warehousing and support activities for transportation (52);

8.8. food and beverage service activities (56);

8.9. real estate activities (68);

8.10. activities of head offices; management consultancy activities (70).

9. The Company shall have the right to engage in other activities not mentioned above, unless that is against the goals of the Company’s activities and/or the laws of the Republic of Lithuania. The Company may engage in the licensed activities or the activities subject to obtaining of permits only after the receipt of such licenses and permits issued following the procedure set by laws.

III. AUTHORISED CAPITAL OF THE COMPANY

10. The authorised capital of the Company shall be EUR 13,088,981.51 (thirteen million eighty eight thousand nine hundred eighty one euro and fifty one cent).

11. The authorised capital of the Company can be increased by a decision of the General Meeting under the procedure set in the Law of the Republic of Lithuania on Companies.

12. The authorised capital of the Company can be reduced by a decision of the General Meeting under the procedure set in the Law of the Republic of Lithuania on Companies or by a court decision in cases set by the Law of the Republic of Lithuania on Companies.

IV. NUMBER OF SHARES, THEIR PAR VALUE AND RIGHTS CARRIED BY THEM

13. The authorised capital of the Company shall be divided into 45,134,419 (forty five million one hundred thirty four thousand and four hundred nineteen) ordinary registered shares.

14. The par value of one share shall be 0.29 EUR (zero euro and twenty nine cents).

15. The shares of the Company shall be incorporeal. They shall be represented by entries in shareholders' personal securities accounts. These accounts shall be kept under the procedure set by laws and regulations regulating the securities market.

16. The shareholders shall have the following property rights:

16.1. to receive a portion of the Company's profit (dividend);

16.2. to receive funds of the Company when the authorised capital of the Company is reduced in order to disburse funds of the Company to its shareholders;

16.3. to receive shares without payment when the authorised capital is increased out of the Company's own funds, except the cases specified in the Law of the Republic of Lithuania on Companies;

16.4. to have the pre-emption right to acquire the Company's newly issued shares or convertible debentures, except the cases when the General Meeting, following the procedure set in the Law of the Republic of Lithuania on Companies, decides to withdraw such pre-emption right for all the shareholders;

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

16.6. to sell or otherwise transfer the shares owned by them under the procedure set in the Law of the Republic of Lithuania on Companies;

16.7. to lend money to the Company in the ways prescribed by laws;

16.8. other property rights provided for by laws.

17. The shareholders shall have the following non-property rights:

17.1. to participate in the General Meetings;

17.2. to present questions to the Company related to the matters on the agenda of the General Meeting in advance;

17.3. to vote at the General Meetings to the extent of the rights granted by the shares. Each ordinary registered share shall grant a shareholder one vote in the General Meeting. The right to vote in the General Meeting may be withdrawn or circumscribed in the cases specified in the Law of the Republic of Lithuania on Companies and other laws; also in the cases when the title to the share is being contested;

17.4. to receive information about the Company specified in the Law of the Republic of Lithuania on Companies;

17.5. to apply to the court claiming compensation for damages incurred by the Company due to non-compliance or inadequate compliance with the duties of the Head of the Company or the members of the Board provided for in the Law of the Republic of Lithuania on Companies and other laws of the Republic of Lithuania and in these Articles of Association, also in other cases provided for in laws;

17.6. to authorise a natural person or legal entity to represent the shareholder in relations with the Company and other persons;

17.7. other non-property rights provided for by laws or the Articles of Association of the Company.

18. Rights indicated in paragraphs 16.1, 16.2, 16.3 and 16.4 of these Articles of Association shall be held by persons who were shareholders of the Company at the end of the tenth business day after the General Meeting that took a relevant decision (at the end of the record date).

19. The Company may issue ordinary shares having the status of employees' shares.

V. BODIES OF THE COMPANY

20. The Company shall have the General Meeting, the Board and the Head of the Company. The Supervisory Board shall not be formed at the Company.

21. The Board shall be a collegial management body of the Company. The Board of the Company shall consist of 7 (seven) members elected for a period of 4 (four) years. The Board shall elect its Chairman from among its members. Fixed-term agreements will be concluded with members of the Board regarding their service on the Board, which shall set out their rights (including the right to the remuneration in the amount fixed in the agreement for their service on the Board and financial conditions and means customary in the business practice of private legal entities of the relevant size), duties and liability. The amount of the remuneration of the members of the Board and the Chairman of the Board shall be fixed and the person authorised to sign agreements with relevant members of the Board on behalf of the Company shall be appointed by the General Meeting. The specific amount of the remuneration for each individual member of the Board shall be fixed by the Board with regard to the total amount allocated by a decision of the General Meeting for this purpose and the principles of fixing the remuneration as approved by the General Meeting.

22. The Company shall have a sole-person management body, i.e. the Head of the Company (General Manager). The Head of the Company shall have the right to issue a procuracy under the procedure set by the Civil Code of the Republic of Lithuania.

23. The competence of the General Meeting, the procedure for its convening and other issues related to the General Meeting's activities and taking of decisions, as well as the competence of the Board and the Head of the Company, the procedure for their election and removing from office, and other issues related to the activities of the Board and the Head of the Company shall be regulated by appropriate provisions of the Law of the Republic of Lithuania on Companies, except for cases provided for in these Articles of Association.

24. The decision to issue debenture bonds shall be taken by the Board of the Company.

VI. GIVING OF NOTICES BY THE COMPANY

25. A notice of convocation of the General Meeting shall be given publicly and related information shall be presented to shareholders under the procedure set by the Law of the Republic of Lithuania on Companies.

26. Public notices which are to be published according to the requirements of the Law of the Republic of Lithuania on Companies or other laws shall be published in the commercial register in the electronic publication for public announcements under the procedure and within the terms set by the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Companies and other laws and regulations. A notice of convocation of the General Meeting shall be published only under the procedure set by the Law of the Republic of Lithuania on Securities and shall be published in the Central Storage Facility.

VII. PROCEDURE OF MAKING DOCUMENTS AND OTHER INFORMATION OF THE COMPANY AVAILABLE TO THE SHAREHOLDERS

27. At a shareholder's written request the Company must no later than within 7 days from the receipt of the request give him access to and/or copies of the following documents: the Articles of Association of the Company, annual financial statements, annual reports of the Company, auditor's opinions and audit reports, minutes of the General Meetings and other documents where decisions of the General Meetings are recorded, the lists of shareholders; the lists of Board members, other documents of the Company that should be public in accordance with laws, also minutes of the Board meetings or other documents where decisions of this management body of the Company are recorded, unless these documents are related to a commercial (trade) secret or other confidential information of the Company. A shareholder or a group of shareholders, owning or holding ½ or more of the shares and having filed the Company with a written undertaking in the form prescribed by the Company not to disclose a commercial (trade) secret or other confidential information, shall have the right to get access to all documents of the Company. The Company may deny access to and/or refuse to give copies of the documents to a shareholder if the identity of the shareholder who has requested the documents cannot be established. At the shareholder's request, denial of the access to and/or refusal to present copies of the requested documents to the shareholder must be executed by the Company in writing. Disputes relating to the shareholder's right to information shall be settled in court.

28. Upon receipt of the shareholder's written request, the Company's information (documents) shall be made available to the shareholder, if he wishes so, during his personal visit to the Company at the time prearranged with an executive of the Company following the terms specified in the Law of the Republic of Lithuania on Companies. The Head of the Company shall be responsible for making the Company's documents and other information available to the shareholders.

VIII. PROCEDURE FOR ESTABLISHING THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES AND FOR TERMINATION OF THEIR ACTIVITIES

29. Decisions on the establishment of branches and representative offices of the Company and on termination of their activities shall be adopted and regulations of such branches and representative offices shall be approved of by the Board of the Company following applicable laws.

30. Heads of branches and representative offices of the Company shall be appointed and removed from office by the Board of the Company.

IX. PROCEDURE FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

31. The Articles of Association of the Company may be amended by the decision of the General Meeting passed by at least a 2/3 majority vote, except the cases provided for in the Law of the Republic of Lithuania on Companies.

32. Upon the decision of the General Meeting to amend the Articles of Association of the Company, the complete text of the amended Articles of Association shall be put together and then signed by a person authorised by the General Meeting.

33. The Head of the Company within the term set by laws shall file the amended Articles of Association of the Company and the documents certifying the decision to amend them with the keeper of the Register of Legal Persons of the Republic of Lithuania.

34. The amended Articles of Association of the Company shall enter into force only after they are registered with the Register of Legal Persons of the Republic of Lithuania under the procedure set by laws.

X. OTHER PROVISIONS

35. On any issues not dealt with in these Articles of Association, the Company shall follow the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Companies and other laws and regulations of the Republic of Lithuania.

These Articles of Association were approved by a decision of the General Meeting held on 28 April 2016.

The Articles of Association were signed on 28 April 2016.

General Manager

Aleksandr Smagin