

/Translation from the Lithuanian language/

**PUBLIC LIMITED LIABILITY COMPANY ŽEMAITIJOS PIENAS
AND
PUBLIC LIMITED LIABILITY COMPANY BALTIJOS MINERALINIŲ VANDENŲ KOMPANIJA**

TERMS OF REORGANISATION

**BY MERGING
PUBLIC LIMITED LIABILITY COMPANY BALTIJOS MINERALINIŲ VANDENŲ KOMPANIJA
TO PUBLIC LIMITED LIABILITY COMPANY ŽEMAITIJOS PIENAS**

Telšiai
15 November 2019

Contents

1. DEFINITIONS	3
2. GENERAL	4
3. METHOD OF REORGANISATION. LEGAL CONDITIONS OF REORGANISATION. CARRYING OUT AND COMPLETION OF REORGANISATION	6
4. INFORMATION ABOUT THE COMPANIES	8
5. MOMENT FROM WHICH THE RIGHTS AND OBLIGATIONS OF THE COMPANY BEING WOUND UP AFTER THE REORGANISATION AS WELL AS RIGHTS AND OBLIGATIONS UNDER THE TRANSACTIONS SHALL BE ASSUMED BY THE COMPANY CONTINUING AFTER THE REORGANISATION AND THE TRANSACTIONS SHALL BE INCLUDED INTO THE ACCOUNTING OF THIS COMPANY	11
6. PROPERTY AND NON-PROPERTY RIGHTS OF SHAREHOLDERS GRANTED IN THE COMPANY CONTINUING AFTER THE REORGANISATION	13
7. RIGHTS GRANTED TO THE MEMBERS OF BODIES OF COMPANIES DURING THE REORGANISATION AND EXPIRY OF THE POWERS OF GOVERNANCE BODIES OF THE COMPANY BEING REORGANISED.....	14
8. FINAL PROVISIONS.....	16
9. ANNEXES TO THE TERMS OF REORGANISATION	16
ANNEX 1	
ANNEX 2	
ANNEX 3	
ANNEX 4	
ANNEX 5	

1. DEFINITIONS

1.1. The capitalised definitions listed below and used in these Terms of Reorganisation shall have the following meaning:

Reorganisation	means reorganisation by merging AB Baltijos mineralinių vandenu kompanija to AB ŽEMAITIJOS PIENAS according to the Civil Code, the Law on Companies of the Republic of Lithuania, the Law on Corporate Income Tax and other legal acts of the Republic of Lithuania.
Terms of Reorganisation	means these Terms of Reorganisation of Companies and all annexes or other supplements thereto drafted in accordance with the procedure established by the Law on Companies and the Civil Code.
AB ŽEMAITIJOS PIENAS	means public limited liability company 'ŽEMAITIJOS PIENAS', a company incorporated and acting according to the laws of the Republic of Lithuania, company number 180240752, registered office address at Sedos g. 35, Telšiai, the Republic of Lithuania, the data whereof is collected and stored in the Register of Legal Entities of the Republic of Lithuania and managed by State Enterprise Centre of Registers Telšiai Branch.
AB Baltijos mineralinių vandenu kompanija	means public limited liability company 'Baltijos mineralinių vandenu kompanija', a company incorporated and acting according to the laws of the Republic of Lithuania, company number 141763534, registered office address at Mažeikių g. 4, LT-87101 Telšiai, the Republic of Lithuania, the data whereof is collected and stored in the Register of Legal Entities of the Republic of Lithuania and managed by State Enterprise Centre of Registers Telšiai Branch.
Merged Company	means AB ŽEMAITIJOS PIENAS which will continue after the Reorganisation after merging AB Baltijos mineralinių vandenu kompanija thereto according to these Terms of Reorganisation. In cases where the Terms of Reorganisation are aimed at splitting up AB ŽEMAITIJOS PIENAS as a company acting under the effective wording of the Articles of Association of AB ŽEMAITIJOS PIENAS and its assets, rights, obligations, etc. from the Merged Company to continue according to the New Wording of the Articles of Association and its assets, rights, obligations, etc., the following separate definitions shall be used: AB ŽEMAITIJOS PIENAS and the Merged Company.
Companies	means AB Baltijos mineralinių vandenu kompanija being reorganised and AB ŽEMAITIJOS PIENAS involved in reorganisation.
New Wording of the Articles of Association	means new wording of the Articles of Association of Merged Company which is enclosed to these Terms of Reorganisation as Annex 3 and which will be registered in the Register of Legal Entities of the Republic of Lithuania in accordance with the

procedure set by these Terms of Reorganisation and the laws.

Delivery-Acceptance Certificate means a Delivery-Acceptance Certificate whereby all assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija will be transferred to the Merged Company. Drafting of Delivery-Acceptance Certificate confirms a factual transfer of the assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija to the Merged Company unless this would be contrary to the imperative provisions of the laws.

Date of Drafting of the Terms of Reorganisation means 15 November 2019

Completion of Reorganisation means the end of the day when the last of the following actions is completed: (i) the New Wording of the Articles of Association of Merged Company continuing after the Reorganisation is registered in the Register of Legal Entities, (ii) Public Limited Liability Company 'Baltijos mineralinių vandenių kompanija' is removed from the Register of Legal Entities.

- 1.2. Unless otherwise specified, the definitions in singular shall also mean plural, the words of one gender shall also mean the other gender, the words characterising a person shall include legal and natural persons.
- 1.3. Names of articles and definitions of the Terms of Reorganisation, names of structural parts are provided for convenience only and shall have no effect on the interpretation of the Terms of Reorganisation.
- 1.4. The references to the laws, a specific law or any other legal act in the Terms of Reorganisation shall mean a reference to the relevant wording of the specific laws or other legal acts of the Republic of Lithuania on the Date of Drafting of the Terms of Reorganisation, unless the Terms of Reorganisation stipulate otherwise.

2. GENERAL

- 2.1. These Terms of Reorganisation have been prepared pursuant to the provisions of the Civil Code, the Law on Companies, the Law on Corporate Income Tax and other legal acts of the Republic of Lithuania.
- 2.2. Pursuant to Article 63(1) of the Law on Companies, these Terms of Reorganisation set the main terms of Reorganisation of AB Baltijos mineralinių vandenių kompanija, a company being reorganised, and AB ŽEMAITIJOS PIENAS, a company involved in reorganisation, pursuant to which AB ŽEMAITIJOS PIENAS will continue its activities as the Merged Company after merging AB Baltijos mineralinių vandenių kompanija thereto.
- 2.3. Pursuant to Article 63(1) of the Law on Companies, these Terms of Reorganisation have been prepared by the Boards of AB ŽEMAITIJOS PIENAS and AB Baltijos mineralinių vandenių kompanija. Drafting of the Terms of Reorganisation was approved at the General Meeting of Shareholders of AB ŽEMAITIJOS PIENAS that took place on 14 November 2019 (Annex 1) and by decision of the sole shareholder of AB Baltijos mineralinių vandenių kompanija of 14 November 2019 (Annex 2).

- 2.4. In view of the decision of the General Meeting of Shareholders of AB ŽEMAITIJOS PIENAS of 14 November 2019 and decision of the sole shareholder of AB Baltijos mineralinių vandenių kompanija, the sets of interim financial statements of both Companies involved in Reorganisation shall not be concluded as the following provisions of Article 65(2)(3) of the Law on Companies have been met, i.e.: (i) AB ŽEMAITIJOS PIENAS as the sole shareholder of AB Baltijos mineralinių vandenių kompanija agrees that the set of interim financial statements of AB Baltijos mineralinių vandenių kompanija would not be prepared, and (ii) AB ŽEMAITIJOS PIENAS involved in Reorganisation publishes the interim financial statements in accordance with the procedure regulating the securities market on website www.nasdaqbaltic.com and www.zpienas.lt and enables access thereto for all shareholders of public limited liability company being reorganised and involved in reorganisation.
- 2.5. A draft of New Wording of the Articles of Association of Merged Company is prepared together with these Terms of Reorganisation (Annex 3).
- 2.6. Since AB ŽEMAITIJOS PIENAS is a sole shareholder of AB Baltijos mineralinių vandenių kompanija and owns 100 (one hundred) per cent of shares of AB Baltijos mineralinių vandenių kompanija, in view of the decision of the General Meeting of Shareholders of AB ŽEMAITIJOS PIENAS of 14 November 2019 and decision of the sole shareholder of AB Baltijos mineralinių vandenių kompanija, a simplified procedure of Reorganisation will be applied to this Reorganisation. Pursuant to Article 2.103 of the Civil Code and Article 70(1) of the Law on Companies, the assessment of these Terms of Reorganisation shall not be carried out, the assessment report of the Terms of Reorganisation and a written report on the stipulated Reorganisation will not be prepared.
- 2.7. Pursuant to Article 70(1) of the Law on Companies, the shares of AB Baltijos mineralinių vandenių kompanija to be wound up after Reorganisation will not be converted into the shares of Merged Company and, accordingly, these Terms of Reorganisation will not provide details on the ratio of conversion of shares and other issues related to the conversion of shares, issue of shares, payment of the difference in the price of shares in cash, i.e. issues provided in Article 63(1)(4-6) of the Law on Companies.
- 2.8. Since AB ŽEMAITIJOS PIENAS is the owner of all shares of merged AB Baltijos mineralinių vandenių kompanija, as the stakeholder of AB Baltijos mineralinių vandenių kompanija being reorganised, it will not become the stakeholder of the Merged Company continuing after the Reorganisation and any payments to AB ŽEMAITIJOS PIENAS, as the stakeholder of AB Baltijos mineralinių vandenių kompanija, will not be paid.
- 2.9. Pursuant to Article 2.101(1) of the Civil Code and Article 65(1) of the Law on Companies, AB ŽEMAITIJOS PIENAS will make one-time publication of information on the prepared Terms of Reorganisation in daily 'Valstiečių laikraštis' and will notify all the creditors of Company in writing and will also public information on the prepared Terms of Reorganisation and the decisions of General Meetings of Shareholders of the Company regarding the Reorganisation on Vilnius Stock Exchange Market. AB Baltijos mineralinių vandenių kompanija will inform on the prepared Terms of Reorganisation in the source provided in the Articles of Association – electronic publication published by the administrator of Register of Legal Entities for public notices and will inform all the creditors of the Company in writing. Information on the prepared Terms of Reorganisation shall be published no later than on the day of public notice on the drafting of Terms of Reorganisation and at least 30 days before the meetings of shareholders of the Company involved in Reorganisation and Company being reorganised.

- 2.10. Throughout the entire period to start no later than on the first day of communication of the drafting of Terms of Reorganisation to the public and to expire no earlier than on the day of Completion of Reorganisation, the Companies shall also publish Terms of Reorganisation free of charge on their websites www.zpienas.lt and www.tiche.lt and indicate the date of their publication on these websites. AB ŽEMAITIJOS PIENAS shall also publish this information on website www.nasdaqbaltic.com.
- 2.11. Pursuant to Article 62(2) of the Law on Companies of Republic of Lithuania, the General Meetings of Shareholders of Companies will adopt the decisions no earlier than 30 days after the day when the administrator of the Register of Legal Entities publishes information on the received Terms of Reorganisation. Minutes of the aforementioned meetings shall no later than within 5 days from the respective meeting be submitted to the administrator of the Register of Legal Entities.
- 2.12. Actions of Reorganisation shall, in all cases, be performed in view of the general principle and aim – to ensure the maximum smoothness, transparency, efficiency, cost-effectiveness and speed of the course of Reorganisation irrespective of whether such principle is mentioned in the Terms of Reorganisation when discussing specific actions of Reorganisation or not.
- 2.13. The principle set in Item 2.12 of these Terms of Reorganisation means that the terms established in the Terms of Reorganisation and the laws as well as other legal acts for performance of actions related to Reorganisation shall be assessed as maximum time limits and, accordingly, all efforts shall be put in case of actual and reasonable possibility to perform such actions immediately except when they are in conflict with the imperative norms of the laws and other legal acts. The time limits established in these Terms of Reorganisation may be delayed (delay in performance of certain actions) only if such time limits cannot be observed due to the reason that Reorganisation is suspended in accordance with procedure set by the laws and/or if the imperative norms of the laws prohibit the performance of respective actions within the time limits set in the Terms of Reorganisation.
- 2.14. The principle set in Item 2.12 of the Terms of Reorganisation shall also mean that if, in view of specific situation, it becomes clear that certain action related to Reorganisation could be performed in a more cost-effective, efficient, smooth and expedient manner by the other body of the company involved in Reorganisation or the Company being reorganised, or any other person having powers to act on behalf of the Company than that stipulated in these Terms of Reorganisation, such action shall be performed by this other body or person having powers to act on behalf of the company unless this would be contrary to the imperative norms of the laws.

3. METHOD OF REORGANISATION. LEGAL TERMS OF REORGANISATION. CARRYING OUT AND COMPLETION OF REORGANISATION

3.1. Method of Reorganisation:

- 3.1.1. Reorganisation is carried out in the form of merger stipulated in Article 2.97(3) of the Civil Code of the Republic of Lithuania where one legal person is merged to the other legal person, which become successors to all rights and obligations of the reorganised legal person.
- 3.1.2. Reorganisation is in compliance with the case specified in Article 41(2)(3) of the Law on Corporate Income Tax of the Republic of Lithuania, where 'an entity, on being dissolved without going into liquidation, transfers all its assets, rights and obligations

to another entity which holds 100% of its authorised capital (100% of the shares representing its capital)'.

3.1.3 Pursuant to Article 42(2) of the Law on Corporate Income Tax of the Republic of Lithuania, since Reorganisation meets the cases of reorganisation and transfer stipulated in Article 41 of the aforementioned law, the increase in the value of assets transferred in the course of Reorganisation shall not be considered as revenue of the transferring entity. In such case, for AB ŽEMAITIJOS PIENAS, given the assets to its ownership, the price of acquisition of such assets for the purposes of corporate income tax is the price of acquisition of such assets before the transfer of assets to the ownership in the transferring entity – AB Baltijos mineralinių vandenų kompanija.

3.2. Legal terms of Reorganisation

3.2.1. The authorised capitals of Companies (price of issue of the last issue of shares) have been fully paid.

3.2.2. The Company has not acquired the status of company under conversion, reorganisation, involved in reorganisation, under transformation, in bankruptcy or liquidation.

3.2.3. Drafting of the Terms of Reorganisation was approved at the General Meeting of Shareholders of AB ŽEMAITIJOS PIENAS that took place on 14 November 2019 and by decision of the sole shareholder of AB Baltijos mineralinių vandenų kompanija of 14 November 2019.

3.2.4. The Terms of Reorganisation have been prepared by the Boards of the Companies.

3.2.5. Assessment of these Terms of Reorganisation is not performed, the assessment report of the Terms of Reorganisation and written report on the planned Reorganisation are not prepared, sets of interim financial statements of Companies are not prepared.

3.3. Carrying out and completion of Reorganisation.

3.3.1. Information on the prepared Terms of Reorganisation shall be published in accordance with the terms and procedure provided in Item 2.9 of the Terms of Reorganisation. The data below shall be indicated in the publication and notice and shall contain information how to access documents listed in Item 3.3.2 of the Terms of Reorganisation:

3.3.1.1. information about the Companies provided in Article 2.44 of the Civil Code of the Republic of Lithuania;

3.3.1.2. method of Reorganisation;

3.3.1.3. companies to continue after the Reorganisation;

3.3.1.4. moment from which the assets, rights and obligations of AB Baltijos mineralinių vandenų kompanija shall pass to AB ŽEMAITIJOS PIENAS.

3.3.2. No later than 30 days before the day of the General Meetings of Shareholders of Companies, the shareholders and creditors of the Company will have a possibility to access documents provided below at the offices of Companies and accordingly on the websites of Companies www.zpienas.lt and www.tiche.lt:

3.3.2.1. Terms of Reorganisation;

- 3.3.2.2. New Wording of the Articles of Association of Merged Company;
 - 3.3.2.3. sets of financial statements and annual reports of AB ŽEMAITIJOS PIENAS for the last three years;
 - 3.3.2.4. sets of financial statements and annual reports of AB Baltijos mineralinių vandenų kompanija for the last three years;
- 3.3.3. The shareholders will be able to download documents referred to in Item 3.3.2 of the Terms of Reorganisation free of charge from website of AB ŽEMAITIJOS PIENAS www.zpienas.lt and website of AB Baltijos mineralinių vandenų kompanija www.tiche.lt and print or receive the copies of aforementioned documents free of charge at the offices of Companies throughout the entire period referred to in Item 2.10 of the Terms of Reorganisation.
- 3.3.4. In case of any material changes in the assets, rights and obligations after the day of conclusion of the Terms of Reorganisation, the Manager of the respective Company shall immediately submit written reports on such changes that will be enclosed to the documents stipulated in Item 3.3.2 of the Terms of Reorganisation. The Manager of the respective Company will inform on the essential changes in the assets, rights and obligations from the day of drafting of the Terms of Reorganisation until the day of the General Meeting of Shareholders of the Companies at the General Meeting of Shareholders of the respective Company and will inform the Manager of the other company hereof for him/her to be able to inform the company's shareholders accordingly.
- 3.3.5. Proposals regarding the Terms of Reorganisation may be submitted by the Supervisory Board, the Board, the Manager and the shareholders of AB ŽEMAITIJOS PIENAS holding the shares in the respective Company the nominal value whereof is at least 1/3 of the statutory capital.
- 3.3.6. The Terms of Reorganisation shall no later than on the first day of communication on the drafting thereof to the public in the electronic publication published by the administrator of the Register of Legal Entities of the Republic of Lithuania for publication of public notices shall be provided to the administrator of the Register of Legal Entities as well as in daily 'Valstiečių laikraštis' as specified in Item 2.8 of the Terms of Reorganisation.
- 3.3.7. From the day of publication of the Terms of Reorganisation, AB Baltijos mineralinių vandenų kompanija acquires the legal status of company being reorganised, whereas AB ŽEMAITIJOS PIENAS – a legal status of company involved in reorganisation.
- 3.3.8. The creditors of the Company may submit their claims as from the first day of publication of the Terms of Reorganisation until the meetings of the company involved in Reorganisation and company being reorganised.
- 3.3.9. No earlier than 30 days after the publication of the administrator of the register of Legal Entities on the received Terms of Reorganisation, the decision regarding the Reorganisation shall be made, the Terms of Reorganisation and the New Wording of the Articles of Association of Merged Company to continue after Reorganisation shall be approved by the General Meetings of Shareholders of Companies.
- 3.3.10. A documentary proof of the decision of the General Meetings of Shareholders of the Companies regarding Reorganisation must be submitted to the administrator of the Register of Legal Entities no later than within 5 days from the respective meeting.

3.3.11. Reorganisation will be completed after all the conditions provided below are met:

- New wording of the Articles of Association of Merged Company is registered in the Register of Legal Entities;
- AB Baltijos mineralinių vandenių kompanija is removed from the Register of Legal Entities.

4. INFORMATION ON THE COMPANIES AND THE COMPANY CONTINUING AFTER THE COMPLETION OF REORGANISATION

4.1. AB ŽEMAITIJOS PIENAS is a company involved in Reorganisation, i.e. AB ŽEMAITIJOS PIENAS will continue as the Merged Company after AB Baltijos mineralinių vandenių kompanija is merged thereto. The main details of AB ŽEMAITIJOS PIENAS are as follows:

	Description
Name of the legal person	Public Limited Liability Company 'ŽEMAITIJOS PIENAS'
Legal form of the legal person	public limited liability company
Registered office of the legal person	Sedos g. 35, Telšiai, the Republic of Lithuania
Legal person's number	180240752
Register where information about the legal person is collected and stored	the Register of Legal Entities of the Republic of Lithuania, administrator – State Enterprise Centre of Registers Telšiai Branch
VAT payer's number	LT802407515
Authorised capital	14,028,750 (fourteen million twenty eight thousand seven hundred fifty) euro
Amount of paid-up authorised capital	14,028,750 (fourteen million twenty eight thousand seven hundred fifty) euro
Number of shares	48,375,000 (forty eight million three hundred seventy five thousand)
Nominal value of one share	0.29 (twenty nine) euro cents
Share class	ordinary registered shares
Share type	book-entry shares
ISIN code of shares	LT0000121865
Exchange market where the shares are traded	NASDAQ Vilnius
List/segment	Baltic Supplementary List
Manager of securities accounts	AB Šiaulių Bankas
Term of activities of the legal person	unlimited

Financial year of the legal person	calendar year
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4.2. AB Baltijos mineralinių vandenių kompanija is a company being reorganised which will be merged to AB ŽEMAITIJOS PIENAS during the Reorganisation to continue as the Merged Company after the Reorganisation. After the Reorganisation, AB Baltijos mineralinių vandenių kompanija will be wound up as the legal person. The main details of AB Baltijos mineralinių vandenių kompanija are as follows:

	Description
Name of the legal person	Public Limited Liability Company 'Baltijos mineralinių vandenių kompanija'
Legal form of the legal person	public limited liability company
Registered office of the legal person	Mažeikių g. 4, Telšiai, the Republic of Lithuania
Legal person's number	141763534
Register where information about the legal person is collected and stored	the Register of Legal Entities of the Republic of Lithuania, administrator – State Enterprise Centre of Registers Telšiai Branch
VAT payer's number	LT417635314
Authorised capital	2,100,000 (two million one hundred thousand) euro
Amount of paid-up authorised capital	2,100,000 (two million one hundred thousand) euro
Number of shares	70,000 (seventy thousand)
Nominal value of one share	30 (thirty) euro
Share class	ordinary registered shares
Share type	book-entry shares
ISIN code of shares	LT0000115685-
Exchange market where the shares are traded	Not traded
Manager of securities accounts	AB Šiaulių Bankas
Term of activities of the legal person	unlimited
Financial year of the legal person	calendar year

4.3. Details of Merged Company to continue after the Completion of Reorganisation are as follows:

	Description
Name of the legal person	Public Limited Liability Company 'ŽEMAITIJOS PIENAS'

Legal form of the legal person	public limited liability company
Registered office of the legal person	Sedos g. 35, Telšiai, the Republic of Lithuania
Legal person's number	180240752
Register where information about the legal person is collected and stored	the Register of Legal Entities of the Republic of Lithuania, administrator – State Enterprise Centre of Registers Telšiai Branch
VAT payer's number	LT802407515
Authorised capital	14,028,750 (fourteen million twenty eight thousand seven hundred fifty) euro
Amount of paid-up authorised capital	14,028,750 (fourteen million twenty eight thousand seven hundred fifty) euro
Number of shares	48,375,000 (forty eight million three hundred seventy five thousand)
Nominal value of one share	0.29 (twenty nine) euro cents
Share class	ordinary registered shares
Share type	book-entry shares
ISIN code of shares	LT0000121865
Exchange market where the shares are traded	NASDAQ Vilnius
List/segment	Baltic Supplementary List
Manager of securities accounts	AB Šiaulių Bankas
Term of activities of the legal person	unlimited
Financial year of the legal person	calendar year

- 4.4. After the Reorganisation stipulated in these Terms of Reorganisation, i.e. after merging AB Baltijos mineralinių vandenų kompanija to AB ŽEMAITIJOS PIENAS, the Merged Company shall continue its activities as a legal person.
- 4.5. AB Baltijos mineralinių vandenų kompanija will be wound up as a legal person and all assets, rights and obligations of AB Baltijos mineralinių vandenų kompanija will be transferred to the Merged Company. After the Reorganisation according to these Terms of Reorganisation, the assets, rights and obligations of the Merged Company will consist of the assets, rights and obligations of AB ŽEMAITIJOS PIENAS and the assets, rights and obligations of AB Baltijos mineralinių vandenų kompanija. The Merged Company to continue as a legal person after the Reorganisation will take over all assets, rights and obligations of AB Baltijos mineralinių vandenų kompanija including also the assets, rights and obligations not stipulated in the financial documents of AB Baltijos mineralinių vandenų kompanija.
- 5. MOMENT FROM WHICH THE RIGHTS AND OBLIGATIONS OF THE COMPANY BEING WOUND UP AFTER THE REORGANISATION SHALL BE ASSUMED BY THE COMPANY**

CONTINUING AFTER THE REORGANISATION AND THE TRANSACTIONS SHALL BE INCLUDED INTO THE ACCOUNTING OF THIS COMPANY

- 5.1. The Merged Company continuing after Reorganisation will take over all the assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija, including any unpaid sums to the State Social Insurance Fund budget calculated by the tax administrator and any other state authorities, including fines and interest on arrears to the state budget of the Republic of Lithuania and municipality budgets and funds, all environmental obligations to the state as well as all assets, rights and obligations not reflected in the financial accounts of AB Baltijos mineralinių vandenių kompanija to be wound up as a legal person.
- 5.2. The Merged Company will take over the assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija according to the Delivery-Acceptance Certificate which shall be signed and will enter into force on the last day of the month on which the New Wording of the Articles of Association will be registered in the Register of Legal Entities.
- 5.3. The Delivery-Acceptance Certificate shall be signed accordingly by the managers of AB Baltijos mineralinių vandenių kompanija and AB ŽEMAITIJOS PIENAS or their duly authorised representatives.
- 5.4. The assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija will be transferred according to the financial documents of AB Baltijos mineralinių vandenių kompanija relevant at the time of transfer in view of any changes conditioned by the economic activity of AB Baltijos mineralinių vandenių kompanija and depreciation of long-term assets until the day of transfer. The assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija will be transferred at the carrying amount.
- 5.5. The transfer of assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija shall be as follows:
 - 5.5.1. the assets, rights and obligations of AB Baltijos mineralinių vandenių kompanija are transferred to the Merged Company as from the moment of entry into force of the Delivery-Acceptance Certificate and, from the next calendar day from entry into force of the Delivery-Acceptance Certificate, will be considered as the assets, rights and obligations of the Merged Company, whereas the transactions on the basis whereof the rights and obligations of AB Baltijos mineralinių vandenių kompanija emerged will be included in the accounting of the Merged Company except for cases where the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;
 - 5.5.2. contracts of AB Baltijos mineralinių vandenių kompanija will be considered as the contracts of the Merged Company continuing after the Reorganisation as from the next calendar day following the entry into force of the Delivery-Acceptance Certificate, unless the imperative norms of the laws and these Terms of Reorganisation stipulate otherwise;
 - 5.5.3. real property of AB Baltijos mineralinių vandenių kompanija including but not limited to buildings, premises, construction in progress, property rights to real property as well as all the rights registered in accordance with the procedure set by the laws, including but not limited to the rights of ownership and lease of buildings, premises, land, other property specially registered in accordance with the procedure set by the laws, including but not limited to the intellectual property rights (names, trademarks, patents, industrial design, etc. of legal persons) are transferred to the Merged Company and accepted thereby from the next calendar day after the day of entry into force of the Delivery-Acceptance Certificate, except for cases when the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;

- 5.5.4. transfer of restrictions of the rights to the assets of AB Baltijos mineralinių vandenių kompanija registered in accordance with the procedure set by the laws, as well as obligations of AB Baltijos mineralinių vandenių kompanija related to the registered property as well as any other obligations registered in accordance with the procedure set by the laws shall be registered, if such registration is necessary according to the imperative norms of the laws. Restrictions of such rights to the registered assets, obligations related to the registered assets as well as any other obligations the registration whereof is stipulated by the imperative norms of the laws shall pass to the Merged Company continuing after the Reorganisation from the next calendar day from the day of entry into force of Delivery-Acceptance Certificate except for cases when the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;
- 5.5.5. the Merged Company shall take over the mortgage claims, claims arising out of pledge of property as well as any other rights of AB Baltijos mineralinių vandenių kompanija related to the mortgage or pledge of property from the next calendar day from the day of entry into force of Delivery-Acceptance Certificate, except for cases when the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;
- 5.5.6. the Merged Company shall take over all rights and obligations of AB Baltijos mineralinių vandenių kompanija in all judicial, arbitration or other legal proceedings, wherein AB Baltijos mineralinių vandenių kompanija is involved, from the next calendar day after the day of entry into force of Delivery-Acceptance Certificate, except for cases when the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;
- 5.5.7. the Merged Company is transferred the right to control, use and have the disposition of the funds held in cash reserves and bank accounts AB Baltijos mineralinių vandenių kompanija or these accounts shall be closed and the funds held in such accounts shall be transferred to the accounts of the Merged Company from the next calendar day after the day of entry into force of Delivery-Acceptance Certificate, except for cases when the imperative norms of the laws or these Terms of Reorganisation stipulate otherwise;
- 5.5.8. the Merged Company shall take over all other rights and obligations of AB Baltijos mineralinių vandenių kompanija, including, but not limited to the rights and obligations not reflected in the financial statements of AB Baltijos mineralinių vandenių kompanija, as well as all tax rights and obligations, including, but not limited to the rights and obligations, which may arise when the tax administrator or other state authorities impose taxes or other arrears, fines and delay charges related to the activities of AB Baltijos mineralinių vandenių kompanija in accordance with the procedure set by the laws until the day of removal of AB Baltijos mineralinių vandenių kompanija in accordance with the procedure set by the laws. The aforementioned rights and obligations including the rights and obligations not presented in the financial statements of AB Baltijos mineralinių vandenių kompanija shall pass from the next calendar day after the day of entry into force of Delivery-Acceptance Certificate. The rights and obligations that may emerge after the moment of entry into force of Delivery-Acceptance Certificate shall be considered as passing to the Merged Company;
- 5.5.9. the employment contracts concluded by AB Baltijos mineralinių vandenių kompanija shall be transferred to the Merged Company continuing after the Reorganisation and it shall take them over after the next calendar day after the entry into force of Delivery-Acceptance Certificate. It shall be considered from this moment that, according to Article 51 of the Labour Code of the Republic of Lithuania, the employment relations of employees of AB Baltijos mineralinių vandenių kompanija will continue in the Merged Company continuing after the Reorganisation under the same conditions that were stipulated in their

employment contracts with AB Baltijos mineralinių vandenių kompanija, unless the aforementioned employees and the Merged Company agree otherwise;

- 5.5.10. the Merged Company shall reserve a right to carry out any other economic, technological or structural reorganisations of the Merged Company, which it believes to be necessary and/or required and to terminate the employment contracts due to economic, technological or structural reorganisations of the place of work or due to any similar important reasons.
- 5.6. Conclusion and publication of the Terms of Reorganisation does not restrict the right of Companies to carry out any activities stipulated by the Articles of Association.
- 5.7. By concluding transactions during the period from the publication of the Terms of Reorganisation until the Completion of Reorganisation, AB ŽEMAITIJOS PIENAS will inform the other party to the transaction on its legal status.
- 5.8. By concluding transactions during the period from the publication of the Terms of Reorganisation until the Completion of Reorganisation, AB Baltijos mineralinių vandenių kompanija will inform the other party to the transaction on its legal status and the transfer of the rights and/or obligations to AB ŽEMAITIJOS PIENAS according to these Terms of Reorganisation.

6. PROPERTY AND NON-PROPERTY RIGHTS OF SHAREHOLDERS GRANTED IN THE COMPANY CONTINUING AFTER THE REORGANISATION

- 6.1. After merging AB Baltijos mineralinių vandenių kompanija to AB ŽEMAITIJOS PIENAS, the shareholders of the Merged Company shall have property and non-property rights stipulated in the Civil Code, the Law on Companies, other legal acts of the Republic of Lithuania and the New Wording of the Articles of Association of the continuing Merged Company.
- 6.2. The owners of ordinary registered shares of the Merged Company continuing after the Reorganisation shall have the following property and non-property rights:
 - 6.3. to receive a part of the Merged Company's profit (dividend);
 - 6.4. to receive a part of assets of the Merged Company in liquidation;
 - 6.5. to receive Merged Company's funds, should the Merged Company reduced its authorised capital in order to pay the funds of the Merged Company to the shareholders;
 - 6.6. to receive the Merged Company's shares without payment if the Merged Company's authorised capital is increased out of Merged Company's funds, except for any exclusions specified by the Law of Companies;
 - 6.7. to have a pre-emption right to acquire shares or convertible debentures issued by the Merged Company, except in cases when the General Meeting of Shareholders decides, pursuant to the procedure established by the Law on Companies of the Republic of Lithuania, to withdraw the pre-emption right for all the Shareholders;
 - 6.8. to lend to the Merged Company in the manner, according to the procedure and under the conditions stipulated by the laws;
 - 6.9. to attend and vote at the General Meetings. One fully paid-up ordinary registered share of the nominal value of 0.29 (twenty nine) euro cents grants 1 (one) vote to the shareholder of the Merged Company;
 - 6.10. to receive information about the Merged Company specified in the Law on Companies;
 - 6.11. to submit questions to the Merged Company in advance with regard to the issues of the schedule of the General Meetings of Shareholders;

- 6.12. to file a claim with the court for compensation of damage resulting from nonfeasance or malfeasance by the manager and Board members of the Merged Company of their obligations prescribed by the Law on Companies and other laws and the Articles of Association of the Merged Company as well as in other cases laid down by laws;
- 6.13. other property and non-property rights provided for by the laws or Articles of Association of the Merged Company.

7. RIGHTS GRANTED TO THE MEMBERS OF BODIES OF COMPANIES DURING THE REORGANISATION AND EXPIRY OF THE POWERS OF GOVERNANCE BODIES OF THE COMPANY BEING REORGANISED

- 7.1. In the course of reorganisation, the governance bodies of the Companies shall have all the rights granted by the laws of the Republic of Lithuania, Articles of Association of the aforementioned Companies, concluded contracts, except for the restriction of rights stipulated in these Terms of Reorganisation. No additional rights shall be granted to the aforementioned persons.
- 7.2. In the course of Reorganisation, the managers of Companies shall, pursuant to the Civil Code, the Law on Companies and Articles of Association of Companies:
 - 7.2.1. manage and control the course of reorganisation of the respective Company;
 - 7.2.2. ensure that the manager of the Register of Legal Entities of the Republic of Lithuania is presented with these Terms of Reorganisation;
 - 7.2.3. ensure that information on the drafted Terms of Reorganisation would be published once in accordance with the procedure set by the laws and all creditors of the Company would be notified in writing (by registered mail or upon signature);
 - 7.2.4. enable the shareholders and creditors of the Companies to access the Terms of Reorganisation, New Wording of the Articles of Association of Merged Company, sets of the annual financial statements of the last 3 (three) years of the Companies and annual reports as well as any other documents thereof stipulated by the Law on Companies according to the procedure set by the laws;
 - 7.2.5. deal with any issues related to additional ensuring of obligations of the respective Company at the request of each creditor;
 - 7.2.6. notify the shareholders of Companies in accordance with the procedure set by the laws on any essential changes in the assets, rights and obligations during the period between the drafting of these Terms of Reorganisation and adoption of decisions of shareholders on Reorganisation. The manager of each Company shall inform the manager of the other Company on all material changes in the assets, rights and obligations so that he/she would be able to notify the sole shareholder of that Company hereof;
 - 7.2.7. ensure that the manager of the Register of Legal Entities of the Republic of Lithuania is presented with the decisions of the shareholders of Companies regarding the approval of the Terms of Reorganisation and the Articles of Association of the Merged Company in accordance with the procedure set by the laws;
 - 7.2.8. take care of the transfer of assets, rights and duties owned accordingly by AB Baltijos mineralinių vandenių kompanija to the Merged Company to continue after the Reorganisation, draft and sign or authorise other persons to sign the Delivery-Acceptance Certificate pursuant to the conditions, procedure and terms stipulated in these Terms of Reorganisation;

- 7.2.9. are liable for adequate additional ensuring of obligations in accordance with the procedure set by the legal acts to each creditor of the Company requesting so;
- 7.2.10. conclude transactions on behalf of respective Company and to the interests thereof before the Completion of Reorganisation;
- 7.2.11. make any other decisions and perform any other actions stipulated in these Terms of Reorganisation, decisions of sole shareholders and laws of the Republic of Lithuania.
- 7.3. Pursuant to the Civil Code, the Law on Companies, the Articles of Association of the Company, the manager of AB ŽEMAITIJOS PIENAS shall:
- 7.3.1. sign the New Wording of the Articles of Association of Merged Company;
- 7.3.2. present the notary office and the manager of the Register of Legal Entities of the Republic of Lithuania with the New Wording of the Articles of Association of Merged Company;
- 7.3.3. make any other decisions and perform any other actions stipulated in these Terms of Reorganisation, respective decisions of the shareholders and/or the Board of AB ŽEMAITIJOS PIENAS and the legal acts.
- 7.4. Based on the wording of the Articles of Association of AB Baltijos mineralinių vandenų kompanija effective on the day of drafting of the Terms of Reorganisation, the stipulated company's bodies include the General Meeting of Shareholders, the Board (elected of 3 members) and the Manager (Director). Powers of the Board and the manager shall expiry on the day of removal of AB Baltijos mineralinių vandenų kompanija from the Register of Legal Entities.
- 7.5. According to the wording of the Articles of Association of AB ŽEMAITIJOS PIENAS effective on the day of conclusion of the Terms of Reorganisation, the bodies of the company include the General Meeting of Shareholders, the Supervisory Board (elected of 3 persons), the Board (elected of 7 members) and the Manager (General Director).
- 7.6. The structure of bodies of the Company involved in the Reorganisation to continue after the Completion of Reorganisation will not change – the Supervisory Board appointed at the decision of shareholders will continue its activities on 10 April 2019, the Board appointed at the decisions of the Supervisory Board of 30 May 2018, 31 July 2018, 18 April 2019 and the Manager of the Company appointed at the decision of the Board of 1 November 2012 (General Director) will continue their activities.
- 7.7. The current management bodies of AB ŽEMAITIJOS PIENAS will hold the offices of the governance bodies of the Merged Company after the Reorganisation, unless the bodies of the Merged Company decide otherwise within their competency.

8. FINAL PROVISIONS

- 8.1. Reorganisation stipulated in these Terms of Reorganisation may be completed in case of additional ensuring of performance of obligations to the creditors that request so (if such creditors have a right to do so), or in case of final and binding decision of the court whereby it is declared that the claims of creditors regarding additional ensuring of obligations shall not be met, if such condition is stipulated by the imperative norms of laws for the Completion of Reorganisation.

- 8.2. Reorganisation shall be considered as completed when a New Wording of the Articles of Association of the Merged Company is registered in and AB Baltijos mineralinių vandenu kompanija is removed from the Register of Legal Entities of the Republic of Lithuania.
- 8.3. All costs related to Reorganisation including removal of AB Baltijos mineralinių vandenu kompanija in accordance with the procedure set by the laws shall be covered by AB ŽEMAITIJOS PIENAS.
- 8.4. Any issues related to Reorganisation that are not regulated in these Terms of Reorganisation shall be settled in accordance with the procedure set by the laws of the Republic of Lithuania.
- 8.5. These Terms of Reorganisation are made in 5 copies in the Lithuanian language.

9. ANNEXES TO THE TERMS OF REORGANISATION

Annex 1	Minutes of the General Meeting of Shareholders of Public Limited Liability Company 'ŽEMAITIJOS PIENAS' of 14 November 2019 regarding the approval of drafting of the Terms of Reorganisation.
Annex 2	Decision of the sole shareholder of Public Limited Liability Company Baltijos mineralinių vandenu kompanija of 14 November 2019 regarding the approval of drafting of the Terms of Reorganisation.
Annex 3	Draft Wording of the Articles of Association of Merged Company
Annex 4	Sets of financial statements and annual reports of AB ŽEMAITIJOS PIENAS for the last three years (available on website www.zpienas.lt , a printed copy is provided at the request)
Annex 5	Sets of financial statements and annual reports of AB Baltijos mineralinių vandenu kompanija for the last three years (available on website www.tiche.lt , a printed copy is provided at the request)

Board of Public Limited Liability Company 'ŽEMAITIJOS PIENAS', a company involved in Reorganisation:

Board of Public Limited Liability Company 'Baltijos mineralinių vandenu kompanija', a company being reorganised

:

Robertas Pažemeckas

Algirdas Pažemeckas

Jurgita Petrauskienė

Sigita Leonavičienė

Jolita Gedgaudienė

Monika Jasiulionienė

Alma Bartkienė

Dalia Gecienė

Marius Dromantas