



Draft decisions of the Extraordinary General Meeting of shareholders of AB Klaipėdos nafta to be held on 18 August 2020

The Board of AB Klaipėdos nafta, legal entity code 110648893, registered at Buriu str. 19, Klaipėda, among others adopted the following decisions:

To approve the draft decisions under the approved agenda of the Extraordinary General Meeting of Shareholders, to be held on 18 August 2020 at 1:00 p. m.:

1. Regarding the reduction of authorized capital of AB Klaipėdos nafta:

1.1. „To reduce the authorized capital of AB Klaipėdos nafta from 110 505 193,97 EUR (one hundred and ten million five hundred and five thousand one hundred ninety three euros, 97 euro cents) to 110 315 009,65 EUR (one hundred and ten million three hundred and fifteen thousand nine euros, 65 euro cents) by cancelling and declaring to be invalid 655 808 (six hundred and fifty five thousand eight hundred and eight) units of AB Klaipėdos nafta owned ordinary registered shares, which each nominal value EUR 0.29 (29 euro cents), ISIN code LT0000111650.

1.2. The purpose of the reduction of the authorized capital - to cancel own shares acquired by AB Klaipėdos nafta.

1.3. To reduce AB Klaipėdos nafta audited retained earnings of the year 2019 by 77 081,66 EUR (seventy seven thousand eighty one euros, 66 cents). Retained earnings are reduced by the difference between 2 January 2019 at the time of AB Nasdaq Vilnius stock exchange official offering acquired shares and the nominal values of the subscribed shares or 0,12 EUR (12 euro cents) for each share acquired and not transferred share.

1.4. To determine, that the decisions stipulated in item 1 shall come into force after the Ministry of Finance of the Republic of Lithuania will issue a permit to AB Klaipėdos nafta to reduce the authorized capital in accordance with Article 3 paragraph 13 item 2 of the Law on Public Debt of the Republic of Lithuania.”

Explanation of the Management:

“Due to COVID – 19 pandemics and complexity of the item it was extremely complex to implement the 10-04-2020 Extraordinary General Meeting of Shareholders decision on cancellation of the Company’s acquired own shares together with 10-04-2020 Extraordinary General Meeting of Shareholders decision on increase of authorized capital of the Company. For this reason, in order to ensure and protect the interests of shareholders, the management of the Company decided to implement the decision to increase the authorized capital of the Company by additional contribution firstly and to postpone the implementation of the decision to cancel Company's acquired own shares. The repetitive decision shall be taken because after the increase of authorized

capital of the Company with additional contribution the amount of authorized capital has changed and in the 10-04-2020 General Meeting of Shareholders of the Company approved draft of Articles of Association not correspond with the present amount of the authorized capital of the Company. The repetitive decision is formal in nature as this decision aims to clarify the amount of authorized capital of the Company specified in Articles of Association. The resolution of this item is the same as decided on 10-04-2020 Extraordinary General Meeting of Shareholders apart from the clarifications on amount of authorized capital of the Company.”

2. Regarding the amendment of the Articles of Association of AB Klaipedos nafta:

2.1. “To amend the Articles of Association of AB Klaipedos nafta, presenting them as a new wording (attached).

2.2. To authorize (with the right to delegate the authority) the Manager of AB Klaipedos nafta to sign the new wording of the Articles of Association of AB Klaipedos nafta, to present it for notary approval, to present it for registration with the Registry of Legal Entities and to perform other related actions”.

2.3. To determine, that the decisions stipulated in item 2 shall come into force after the Ministry of Finance of the Republic of Lithuania will issue a permit to AB Klaipedos nafta to reduce the authorized capital in accordance with Article 3 paragraph 13 item 2 of the Law on Public Debt of the Republic of Lithuania.”

Explanation of the Management:

The main amendments of Articles of Associations of the Company are alignment with the amendments of Articles of Law on Companies of the Republic of Lithuania. Amended Articles of Association of the Company stipulates that:

The Board shall analyse and evaluate:

- the draft of the Company’s remuneration policy and shall submit this draft to the Supervisory Board and the General Meeting of Shareholders with any comments and suggestions to the draft;
- the draft rules for granting shares and shall submit it to the Supervisory Board and the General Meeting of Shareholders with any comments and suggestions to the draft.

The Board shall analyse, assess:

- the draft of the Company’s strategy prepared by the General Manager and information about the implementation of the Company’s strategy and together with the comments and suggestions submit present it to the Supervisory Board.

The General Manager of the Company shall be responsible for:

- the preparation of the project of remuneration policy and the preparation of the report of remuneration policy.”