

# **Joint stock company “Vilniaus baldai”**

## **REGULATIONS**

### **I. GENERAL PROVISIONS**

1. Joint stock company “Vilniaus baldai” (hereinafter referred to as the Company) is a limited civil liability private legal entity with economic, financial and organizational independence.
2. The Company follows these regulations, the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other legislation in its activity.
3. Legal form of the Company – joint stock company.
4. In accordance with its obligations the Company answers only with its property.
5. The Company’s activity duration is unlimited.
6. The Company’s financial year is the calendar year.
7. The name of the Company is joint stock company “Vilniaus baldai”.

### **II. PURPOSE AND OBJECT OF THE COMPANY’S ACTIVITY**

8. The Company’s business purpose is to gain profit meeting the needs of population, enterprises, institutions, organizations (irrespective to their nature and form of ownership) for services provided and works carried out according to the following set of economic activities, as well as investing funds. The Company may conclude unprofitable transactions in order to avoid losses (larger losses) or make better working or household conditions for the workers of the Company.
9. Object of the Company’s activity (activities are indicated according to rev. 2 of Economic Activities Classification (NACE rev. 2), approved by Order No DĮ-226 of 31 October 2007 of the Director General of Statistics Lithuania):
  - 9.1. manufacturing of furniture (31);
  - 9.2. other manufacturing (32);
  - 9.3. wholesale trade except of motor vehicles and motorcycles (46);
  - 9.4. retail trade except of motor vehicles and motorcycles (47);
  - 9.5. repairing of personal and household goods (95.2);
  - 9.6. accommodation (55);
  - 9.7. food and beverage service activities (56);
  - 9.8. land transport and transport via pipelines (49);
  - 9.9. warehousing and transportation support activities (52);
  - 9.10. activities of travel agencies (79.11);
  - 9.11. other financial service activities except insurance and pension funding (64.9);
  - 9.12. real estate operations (68);
  - 9.13. rental and leasing (77);
  - 9.14. computer programming, consultancy and related activities (62);
  - 9.15. administrative, office and other business enterprise service activities (82).
10. The Company has the right to engage in other activities not specified above if it is consistent with the Company’s business objectives and / or the laws of the Republic of Lithuania. Licensed activity is carried out only after authorization and licenses are received.
11. The Company has all the civil rights and obligations if they comply with the laws of the Republic of Lithuania.

### **III. AUTHORIZED CAPITAL OF THE COMPANY**

12. Authorized capital of the Company is 15.545.068 (fifteen million five hundred forty five thousand and sixty eight) LTL.

13. Authorized capital of the Company may be increased in accordance with the Law on Companies of the Republic of Lithuania by the decision of the general meeting of shareholders.
14. Authorized capital of the Company may be reduced in accordance with the Law on Companies of the Republic of Lithuania by the decision of the general meeting of shareholders or in cases set in the Law on Companies of the Republic of Lithuania – by court decision.

#### **IV. NUMBER OF SHARES, THEIR NOMINAL VALUE AND RIGHTS OF THE SHAREHOLDERS**

15. The Company's authorized capital is divided into 3.886.267 (three million eight hundred eighty six thousand two hundred and sixty seven) registered ordinary shares.
16. The nominal value of one share is 4 (four) LTL.
17. The Company's shares are not material. They are recorded as entries in personal securities accounts of shareholders. These accounts are managed according to the procedure laid down in the legal acts regulating the securities market.
18. The shareholders have the following property rights:
  - 18.1. to receive a part of the Company's profit (dividend);
  - 18.2. to receive the Company's funds when the authorized capital of the Company is reduced in order to pay the Company's funds to the shareholders;
  - 18.3. to receive shares without payment if the authorized capital is increased out of the Company funds, except in cases specifies in the Law on Companies of the Republic of Lithuania;
  - 18.4. to have the pre-emption right in acquiring the shares or convertible debentures issued by the Company, except in the case when the general meeting of shareholders decides to withdraw the pre-emption right for all the shareholders according to the procedure specified by the Law on Companies of the Republic of Lithuania;
  - 18.5. to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case, the Company and shareholders shall be prohibited from negotiating a higher interest rate;
  - 18.6. to receive a part of assets of the Company in liquidation;
  - 18.7. other property rights established by the laws;
  - 18.8. the rights specified in clauses 18.1, 18.2, 18.3 and 18.4 of the regulations shall be held in the Company by persons who were shareholders at the close of the tenth working day after adopting the appropriate decision of the general meeting of shareholders (hereafter – at the close of the rights accounting day).
19. The shareholders have the following non-property rights:
  - 19.1. to attend general meetings of shareholders;
  - 19.2. to submit to the Company in advance the questions connected with the issues on the agenda of the general meeting of shareholders;
  - 19.3. to vote at general meetings of shareholders according to voting rights carried by their shares. Each registered ordinary share carries one vote at the general meeting of shareholders except in cases indicated in the Law on Companies of the Republic of Lithuania. The right to vote at the general meetings of shareholders may be prohibited or restricted by the Law on Companies of the Republic of Lithuania and other cases established by law, as well as, when the ownership of the share is being disputed;
  - 19.4. to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
  - 19.5. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the manager of the Company and Board members of their duties prescribed by the Law on Companies of the Republic of Lithuania and other laws and the Company's regulations as well as in other cases laid down by laws;
  - 19.6. to authorize a natural or legal person to represent him in his relations with the Company and other persons;
  - 19.7. other non-property rights established in the Law on Companies of the Republic of Lithuania, other laws or the Company's regulations.

20. The Company may issue ordinary shares having the status of employee shares.

#### **V. BODIES OF THE COMPANY**

21. Bodies of the Company are the general meeting of shareholders, the Board and the manager of the Company. The Supervisory Board is not formed.
22. The Board is a collegiate management body under the guidance of its chairman. The Board of the Company shall consist of 3 (three) members for 4 (four) years.
23. The Company has a managing body – the manager of the Company (general director).
24. The competence of the general meeting of shareholders, its convening order and other issues related to the activity and decisions of the general meeting of shareholders, as well as competence, election (designation) and cancellation order of the Board and the manager of the Company and other issues related to the activity of the Board and the manager of the Company are prescribed in paragraph V of the Law on Companies of the Republic of Lithuania.
25. A decision to issue the bonds is taken by the Board of the Company.
26. At the end of financial year, until the next annual meeting, an audit firm, selected by the general meeting of shareholders, shall examine the set of annual financial reports. Audit is carried out in accordance with legislation regulating the audit and auditors work and conditions indicated in the contract with the Company.

#### **VI. THE PROCEDURE FOR PUBLISHING THE NOTICES OF THE COMPANY**

27. The announcement regarding the convening of the general meeting of shareholders is made public and the related information is introduced to the shareholders in a manner prescribed in the Law on Companies of the Republic of Lithuania.
28. Public notices, published in accordance with the Law on Companies of the Republic of Lithuania or other laws, except the notices indicated in clause 27 of the regulations, are published in the electronic publication for public announcements published by Register of Legal Entities in accordance with the procedures and terms indicated in the Law on Companies of the Republic of Lithuania and other laws.

#### **VII. PRESENTATION ORDER OF THE COMPANY DOCUMENTS AND OTHER INFORMATION TO THE SHAREHOLDERS**

29. If a shareholder requests in writing, the Company must make a possibility to access and (or) make copies of these documents to the shareholder no later than within 7 days from the day of the receipt of the request: regulations of the Company, sets of annual and interim financial reports, annual and interim announcements of the Company, the auditor's findings and audit reports, protocols of the general meetings of shareholders or other documents in which decisions of the general meeting of shareholders are finalized, shareholders' lists, lists of the Board members, other documents of the Company which have to be open to the public under the law as well as protocols of the Board meetings or other documents in which decisions of the Board are finalized if these documents are not related to the Company's commercial (production) secret, confidential information. Shareholder or a group of shareholders controlling ½ and more shares and having presented to the Company its set form of a written commitment not to disclose commercial (production) secret, confidential information, have the right to access all documents of the Company. The Company may refuse to make a possibility to access and (or) make copies of documents to the shareholder if it is impossible to identify the shareholder's identity who requested the documents. Denial to make the possibility to access and (or) provide copies to the shareholder the Company shall provide in writing if the shareholder requests. Disputes concerning the shareholder's right to access the information are solved by court.
30. Upon receiving a written request, the Company's information (documents for information) is provided to the shareholder personally upon arriving at the Company on pre-agreed time arranged with the Company's responsible employee in accordance with the terms set in the Law on Companies of the Republic of Lithuania. The Company's employee appointed by the manager of the Company is responsible for the Company's documents and other information presentation to the shareholders.

31. Commercial (production) secret is information (other than the public information indicated in the laws of the Republic of Lithuania) which had been granted this status by the Company's Board. The shareholder or the representative of the shareholders shall be responsible for the disclosure of the commercial (production) secret in the manner established by law.

#### **VIII. ESTABLISHING AND CESSATION ORDER OF THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES**

32. The issues of establishing and cessation of the Company's branches and representative offices and statute approval is made by the Company's Board in accordance with these regulations and valid laws.
33. The directors of the Company's branches and representative offices are appointed and withdrawn by the Company's Board.

#### **IX. THE PROCEDURE OF AMENDMENT OF THE REGULATIONS**

34. Regulations of the Company may be changed by a decision of the general meeting of shareholders accepted by no less than 2/3 majority of votes, excluding the exceptions provided in the Law on Companies of the Republic of Lithuania.
35. When the decision to change the Company's regulations is accepted by the general meeting of shareholders, all changed regulation text shall be put down and undersigned by the person authorized by the general meeting of shareholders.
36. The changed regulations of the Company and the documents of the decision to change them have to be submitted to the manager of Register of Legal Entities within the deadline provided by the law by the manager of the Company.
37. The changed regulations of the Company shall enter into force only after being registered in accordance with the law in the Register of Legal Entities of Lithuania.

#### **X. OTHER PROVISIONS**

38. For all other issues not addressed in these regulations, the Company shall be guided by the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other laws of the Republic of Lithuania as well as other legal acts.

The regulations are approved by the decision of the general meeting of shareholders on \_\_\_\_ of \_\_\_\_, 2013.

The regulations are signed on \_\_\_\_\_ of \_\_\_\_\_, 2013.

General director

Aidas Mackevičius