

**PUBLIC JOINT - STOCK COMPANY INVALDA**

**SPLIT-OFF TERMS**

Vilnius  
February 12, 2013

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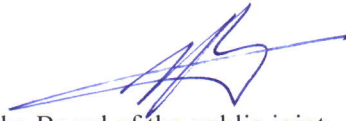
On the basis of those Terms, a part of the public joint - stock company INVALIDA, the company which continuing under the new name public joint - stock company Invalda LT, will be split - off and a new company of the same legal form will be formed on the basis of the assets, rights and liabilities assigned to this part.

Those Terms have been drawn up in accordance with provisions of the Civil Code of the Republic of Lithuania, Law on Companies of the Republic of Lithuania and other applicable legal acts of the Republic of Lithuania.

Drawing up of the Terms was approved by the general meeting of shareholders of the public joint - stock company INVALIDA on November 20, 2012.

The Terms have been prepared by the Board of the public joint - stock company INVALIDA.

Vytautas Bučas



The Chairman of the Board of the public joint - stock company INVALIDA

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## 1. DEFINITIONS

Capitalized terms will have below indicated meanings:

- Shareholder** means any natural or legal person, which at the Completion of the Split - Off holds at least one ordinary registered share of the public joint - stock company INVALIDA of LTL 1 (one) par value. The **Shareholders** mean all Shareholders of the public joint - stock company INVALIDA together.
- Split - Off Part** means a part of the public joint - stock company INVALIDA to be split - off and on the basis of the assets, equity and liabilities assigned to this part a new legal entity named public joint - stock company Invalda privatus kapitalas to be formed.
- Day of Exchange of Shares** means the day on which (i) the amended Articles of Association of the public joint - stock company INVALIDA stating a new name and reduced authorized capital will be registered by the Register of Legal Entities; and (ii) the public joint - stock company Invalda privatus kapitalas will be registered by the Register of Legal Entities. Except if otherwise is provided by legal acts, the moment of registration of amended Articles of Association of the public joint - stock company INVALIDA and the day of registration of the public joint - stock company Invalda privatus kapitalas will be deemed coincident at the end of the day of registration of both events, in case if both events take place on the same day; if the above mentioned registrations take place on different days, the moments of registration of those events will be deemed coincident at the end of the day of the latest event. Any reference to the Day of Exchange of Shares will mean the reference to end of the Day of Exchange of Shares, except otherwise is provided in the Terms or other related documents.
- Second Meeting** means the general meeting of shareholders of the Company Participating in the Split – Off, which will (i) elect managing bodies of the Company Participating in the Split – Off continuing after the Split – Off; and (ii) approve the amended Articles of Association of the Company Participating in the Split – Off as well as the Articles of Association of the Split – Off Company approving a new authorized capital and number of shares of those companies, if the Company Participating in the Split – Off will have own shares acquired before this general meeting of shareholders.
- Split - Off** means the process when (i) a part of the public joint - stock company INVALIDA continuing under the new name public joint – stock company Invalda LT is split – off and the new company named a public joint – stock company Invalda privatus kapitalas is formed on the basis of the assets, equity and liabilities assigned to this part; and (ii) the annulled Shareholders' shares in the public joint – stock company INVALIDA are at no charge exchanged for the ordinary registered shares in the newly established public joint – stock company Invalda privatus kapitalas; and (iii) the authorized capital of the public joint – stock company INVALIDA is reduced accordingly. The ordinary registered shares in the newly established company public joint – stock company Invalda privatus kapitalas are allocated to the Shareholders in accordance with the rules stated in

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Part 5 of those Terms.

<b>Terms</b>	mean those public joint – stock company INVALIDA split – off terms drawn up in accordance with the provisions of the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other related legal acts.
<b>Day of the Terms</b>	February 12, 2013.
<b>Completion of the Split - Off</b>	means the end of the day on which the last of the following events will take place: (i) amended Articles of Association of the public joint – stock company INVALIDA with a new name and reduced authorized capital will be registered by the Register of Legal Entities; (ii) the public joint – stock company Invalda privatus kapitalas will be registered by the Register of Legal Entities; (iii) annulled shares of the Shareholders in the public joint - stock company INVALIDA will be exchanged for the ordinary registered shares in the newly established the public joint – stock company Invalda privatus kapitalas; (iv) Transfer – Acceptance Certificates will be executed.
<b>The Split - Off Company or the public joint – stock company Invalda privatus kapitalas</b>	means the public joint - stock company Invalda privatus kapitalas which will be formed as a result of the Split – Off.
<b>Meeting of the Split - Off Company</b>	means the general meeting of shareholders of the Split – Off Company which shall elect the managing bodies of the Split - Off Company. Only the Shareholders who will receive shares in the Split – Off company according those Terms will have a right to participate in the Meeting of the Split – Off Company.
<b>Company Participating in the Split-Off or the public joint stock company INVALIDA</b>	means the public joint stock company INVALIDA, with its legal form a public joint stock company, the registered address - Vilnius city municipality, city of Vilnius, Šeimyniškių str. 1A, corporate code 1213 04349, VAT payer code LT213043414 which after the Split – Off and reduction of the authorized capital will continue its activity under the new name public joint – stock company Invalda LT.
<b>Register of Legal Entities</b>	means Vilnius Branch of the Register of Legal Entities of the State Enterprise Center of Registers.
<b>Transfer – Acceptance Certificates</b>	mean transfer – acceptance certificates executed between the Company Participating in the Split - Off and the Split - Off Company. On the basis of those transfer – acceptance certificates the Company Participating in the Split - Off will transfer a part of its assets, equity and liabilities to the Split - Off Company. The transfer – acceptance certificates from the day of execution shall constitute an integral part of the Terms.
<b>First Meeting</b>	means the general meeting of shareholders of the Company Participating in the Split – Off which will approve the Split – Off and Terms as well as the Articles of Association of the Company Participating in the Split – Off and the Split – Off Company. The approved Articles of Association of both companies will be amended by the Second Meeting if before this meeting the Company Participating in the Split – Off acquires own shares.

In the Terms definitions in singular form, depending on the context, comprise the plural form and vice versa. The term “person” may be applicable on natural persons as well as legal persons.

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The names in the Terms are used only for convenience purposes and shall have no impact on the meaning or interpretation of the Terms.

If not provided otherwise, any reference to the laws, a particular law or other legal act means a reference to the wording of the laws, particular law or other legal acts of the Republic Lithuania actual at the Day of the Terms.

## **2. GENERAL TERMS**

- 2.1. The goal of the Split – Off is: on the basis of provisions of the Law on Companies of the Republic of Lithuania, to split - off a part of the public joint – stock company INVALIDA continuing after the Split – Off under the new name public joint – stock company Invalda LT and on the basis of assets, equity and liabilities assigned to this part to form a new public joint - stock company Invalda privatus kapitalas. Annulled shares of the Shareholders in the public joint - stock company INVALIDA will be exchanged for the ordinary registered shares in the newly established public joint – stock company Invalda privatus kapitalas. The treasury shares acquired by the Company Participating in the Split – Off, if any, will be annulled. The authorized capital of the public joint - stock company Invalda shall be reduced accordingly.
- 2.2. The drawing up of the Terms was approved by the general meeting of shareholders of the public joint - stock company INVALIDA on November 20, 2012 (the minutes of the meeting - Annex 1).
- 2.3. The Terms have been drawn up in accordance with Articles 61 - 71 of the Law on Companies of the Republic of Lithuania and Chapter VIII of Book Two of the Civil Code of the Republic of Lithuania, taking into account the requirements of other related legal acts of the Republic of Lithuania.
- 2.4. The Terms have been drawn up on the basis of the financial statements of the public joint - stock company INVALIDA as of September 30, 2012 (Annex 2).
- 2.5. The Articles of Association of the Company Participating in the Split-Off are prepared together with those Terms (Annex 3) as well as the Articles of Association of the Split - Off Company (Annex 4).
- 2.6. The Terms will be assessed and the report on assessment will be prepared by the joint stock company ERNST&YOUNG BALTIC, company code 110878442, registered address Subaciaus str. 7, Vilnius. (The report on assessment of the Terms from the moment of its presenting to the public joint - stock company INVALIDA constitutes Annex 5 of the Terms).
- 2.7. Following the provision of part 8 of Article 63 of the Law on Companies of the Republic of Lithuania, the Terms shall be submitted to the Register of Legal Entities not later than on the first day of publication of the drawing up thereof in the daily Lietuvos rytas. In addition to the Terms, the Register of Legal Entities will be also provided with the website address [www.invalda.lt](http://www.invalda.lt) where the Terms and the date of publication thereof will be announced (the Register of Legal Entities shall publish the reference to the mentioned above website). Additionally, the Terms will be published on the Central Storage Facility.
- 2.8. All the period from the first day of publication of the Terms in the daily Lietuvos rytas till the Completion of the Split – Off the Company Participating in the Split-Off shall publish the Terms on the website [www.invalda.lt](http://www.invalda.lt) and announce the date of the first publication of thereof.
- 2.9. Following the requirements of part 2 of Article 62 of the Law on Companies of the Republic of Lithuania, the First Meeting will have a right to approve the Split – Off and Terms as well as amend the Articles of Association of the Company Participating in the Split - Off and Articles of Association of the Split – Off Company not earlier that after 30 days from the first day of publication of the drawn up Terms in the daily Lietuvos rytas. The above mentioned resolution will be within 5 days from its adoption provided to the Register of Legal Entities.
- 2.10. Each step of the Split – Off shall be conducted following general principles of smoothness, transparency, efficiency and rapidity of the processes, in despite if the said principles are mentioned or not while describing particular steps of the Split – Off.

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- 2.11. The principles mentioned in paragraph 2.10 above mean that time - periods stated by legal acts and those Terms for the particular actions of the Split – Off have to be treated as maximum time - periods. Therefore, all efforts have to be used in order to complete the said actions immediately, except when such urgency is prohibited by peremptory laws or other legal acts. The time - periods stated in those Terms could be missed only in cases when those time – periods cannot be kept due to the following reasons: the Split – Off has been suspended; or/and peremptory laws prohibit conduction of the particular steps in time – periods stated in the Terms.
- 2.12. Additionally, the principles mentioned in paragraph 2.10 above also mean that if in particular situation any action related with the Split - Off may be completed more smoothly, transparent, efficiently and rapidly by another body of the Company Participating in the Split – Off or the Split - Off Company or another person which has a right to act on behalf of the mentioned above companies, this action has to be completed by the said body or person, except the cases when it is prohibited by peremptory laws or other legal acts.

### **3. THE MODE, LEGAL ASSUMPTIONS, EXECUTION AND COMPLETION OF THE SPLIT-OFF**

- 3.1. The mode of the Split - Off:
  - 3.1.1. The Split – Off is conducted in a mode provided in part 1 of Article 71 of the Law on Companies of the Republic of Lithuania, when a part of a company continuing its activity is split – off and a new company of the same legal form is established on the basis of the assets, rights and liabilities assigned to this part. As stated in part 2 of Article 71 of the Law on Companies of the Republic of Lithuania, the provisions of the Civil Code of the Republic of Lithuania and the Law on Companies of the Republic of Lithuania regulating reorganization by division are *mutatis mutandis* applicable on the Split - Off.
  - 3.1.2. The Split – Off corresponds with paragraph 8 of part 2 of Article 41 of the of the Law on Corporate Income Tax of the Republic of Lithuania according to which “an entity transfers without being dissolved (hereinafter referred to as the “transferring entity”) one or more parts of its assets, equity and liabilities to one or more new entities (hereinafter referred to as the “receiving entities”) and divides all its assets, equity and liabilities in proportion to the number of the shares left in the transferring entity and transferred to the receiving entity.”
  - 3.1.3. As the Split – Off corresponds with cases of reorganization and transfer provided in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 1 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Shareholders receive shares of the Split - Off Company in exchange for those held in the Company Participating in the Split – Off, the increase of the value of assets shall not be treated as income of such Shareholders. In this case, the acquisition price of the shares in the Split – Off Company received by the Shareholders shall be the acquisition price of the shares exchanged before the transfer was effected.
  - 3.1.4. As the Split – Off corresponds with cases of reorganization and transfer foreseen in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 2 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Company Participating in the Split – Off transfers assets to the Split – Off Company, the increase in the value of assets shall not be treated as income of the Company Participating in the Split - Off. In this case, the acquisition price of such assets with respect to the Split - Off Company shall be the acquisition price of the assets before the transfer was effected.
  - 3.1.5. Preparing financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, the difference that occurs during the Split - off between the carrying amount and fair value of the assets and liabilities transferred to the Split – Off Company is recognised in profit or loss of the Company Participating in the Split – Off.
- 3.2. Legal assumptions of the Split – Off are the following:
  - 3.2.1. the authorized capital of the Company Participating in the Split – Off has been fully paid up (at the price of the last share issue);



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- 3.2.2. the Company Participating in the Split – Off has not acquired the status of the company being reorganized or involved into the reorganization, or the company being transformed, or the company in liquidation or restructuring;
- 3.2.3. the drawing up of the Terms was approved by the general meeting of shareholders of the public joint - stock company INVALIDA on November 20, 2012 (the minutes of the meeting - Annex 1);
- 3.2.4. the Terms have been drawn up by the Board of the Company Participating in the Split – Off;
- 3.2.5. the Terms are going to be assessed and the report on assessment is going to be prepared by the joint stock company ERNST&YOUNG BAL TIC;
- 3.2.6. the report on the intended Split – Off has been prepared by the Board of the Company Participating in the Split - Off (Annex 6);
- 3.3. The implementation and Completion of the Split – Off:
  - 3.3.1. not later than in 30 days before the First Meeting, the information about the drawn up Terms shall be published in the daily Lietuvos Rytas and provided to all creditors of the Company Participating in the Split - Off in writing (by registered mail or in person). The above mentioned publication and notice must include the particulars listed in paragraphs 3.3.1.1 – 3.3.1.4 below and indicate the place and time at which the documents listed in paragraph 3.3.2 may be accessed:
    - 3.3.1.1. the information concerning the Company Participating in the Split – Off stated in Article 2.44 of the Civil Code of the Republic of Lithuania as well as the name, legal form and registered office address of the Split - Off Company;
    - 3.3.1.2. the mode of the Split - Off;
    - 3.3.1.3. the companies continuing after the Split - Off;
    - 3.3.1.4. the moment, from which the Split – Off Part will be transferred to the Split - Off Company.
  - 3.3.2. Within the time period starting not later than 30 days before the First Meeting, the Shareholders and creditors of the Company Participating in the Split – Off will be given an access to the below listed documents on the website [www.invalida.lt](http://www.invalida.lt):
    - 3.3.2.1. the Terms;
    - 3.3.2.2. the amended Articles of Association of the Company Participating in the Split - Off and the Articles of Association of the Split - Off Company;
    - 3.3.2.3. the sets of annual financial statements for the last three years and annual reports of the Company Participating in the Split – Off. As shares of the Company Participating in the Split – Off are traded on the regulated market, its interim financial reports are published in accordance with the legal acts regulating securities market, therefore sets of interim financial statements listed in paragraph 3 of part 2 of Article 65 of the Law on Companies of the Republic of Lithuania has not been drawn up as a part of those Split - Off Terms;
    - 3.3.2.4. the report on assessment of the Terms;
    - 3.3.2.5. the report on the intended Split – Off drawn up by the Board of the Company Participating in the Split - Off.
  - 3.3.3. The Shareholders shall be able to download the documents listed in paragraph 3.3.2 above from the website [www.invalida.lt](http://www.invalida.lt) all the time -period provided in paragraph 2.8.
  - 3.3.4. The manager of the Company Participating in the Split – Off must notify the Shareholders (by attaching a written notice to the documents referred to in paragraph 3.3.2 above and making an oral announcement at the First Meeting) of the material changes in the assets, rights and liabilities during the period between the Day of the Terms and the First Meeting.
  - 3.3.5. Proposals regarding the Terms may be submitted by the Board, the company manager and the Shareholders holding the shares of the Company Participating in the Split - Off the nominal value whereof is at least 1/3 of the authorized capital.



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- 3.3.6. The Terms must be submitted to the Register of Legal Entities not later than on the first day of publication of the drawing up thereof in the daily Lietuvos Rytas. In addition to the Terms, the Register of Legal Entities must also be provided with the report on the intended Split – Off drawn up by the Board of the Company Participating in the Split – Off and the report on assessment of the Terms.
- 3.3.7. From the day of publication of the Terms the public joint - stock company INVALIDA shall acquire the legal status of the company being split - off.
- 3.3.8. Creditors of the Company Participating in the Split – Off may submit their claims from the first day of publication of the Terms until the First Meeting.
- 3.3.9. The decision on the Split – Off may be adopted by the First Meeting not earlier than 30 days from the day on which the Register of Legal Entities publishes the internet address where the Terms may be found and the day of publication of the Terms on the said website. The First Meeting must also approve the Terms and amend the Articles of Association of the Company Participating in the Split – Off as well as approve the Articles of Association of the Split - Off Company. The amended Articles of Association of the Company Participating in the Split – Off and the Articles of Association of the Split - Off Company will be additionally amended in case if before the Second Meeting the Company Participating in the Split – Off acquires own shares. The treasury shares of the Company Participating in the Split – Off will be annulled in accordance with the procedure set out in the Terms; the authorized capital of the Company Participating in the Split – Off and authorized capital of the Split – Off Company as well as the number of shares of those companies will be reduced accordingly.
- 3.3.10. A documentary proof of the decision on approval of the Split – Off taken by the First Meeting will be submitted to the Register of Legal Entities within 5 (five) days.
- 3.3.11. The Shareholders holding the shares the nominal value whereof is less than 1/10 of the authorized capital of the Company Participating in the Split – Off shall have the right to require within 45 days after the adoption of a decision on the Split – Off by the First Meeting, that their shares be redeemed by the Company Participating in the Split – Off before the Completion of the Split – Off. The rules of redemption of shares will be announced on the website [www.invalida](http://www.invalida) not later than in 10 days before the First Meeting. If the nominal value of shares required to be redeemed exceeds 1/10 of the authorized capital of the Company Participating in the Split – Off, the shares will not be redeemed and the Split – Off under the approved Terms shall be discontinued.
- 3.3.12. No later than in 90 days from the approval of the Terms the following events will take place:
  - 3.3.12.1. the Meeting of the Split - Off Company shall elect the Board members of the company thereof;
  - 3.3.12.2. the Board of the Split - Off Company shall elect the Manager of the company thereof;
  - 3.3.12.3. the Second Meeting shall elect the Board of the Company Participating in the Split – Off continuing after the Split – Off. The Second Meeting shall also amend the authorized capital and the Articles of Association of the Company Participating in the Split – Off and the Split - Off Company, if before the Second Meeting the company herein acquires treasury shares.
- 3.3.13. The Completion of the Split – Off shall take place after fulfillment of all below stated conditions:
  - the Register of Legal Entities will register the Articles of Association of the Company Participating in the Split – Off amending the name and authorized capital of the company herein;
  - the Register of Legal Entities will register the Split - Off Company;
  - the Shareholders' shares in the Company Participating in the Split – Off will be exchanged for the ordinary registered shares in the Split – Off Company;
  - Transfer – Acceptance Certificates will be executed.

**4. THE INFORMATION ABOUT THE COMPANY PARTICIPATING IN THE SPLIT-OFF AND THE SPLIT-OFF COMPANY**

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- 4.1. During the Split – Off process a part of the Company Participating in the Split – Off is split – off and the Split - Off Company is formed on the basis of the assets, equity capital and liabilities assigned to this part.
- 4.2. There are no terminated legal entities upon the Split – Off. The public joint stock company INVALIDA is the legal entity continuing after the Split – Off and the public – joint stock company Invalda privatus kapitalas is the legal entity commencing activity after the Split – Off.
- 4.3. The Company Participating in the Split – Off (public joint - stock company INVALIDA):
- 4.3.1. the data on the Company Participating in the Split – Off as of the Day of the Terms:

	Description
<b>Name of the legal entity</b>	public joint stock company INVALIDA
<b>Legal form of the legal entity</b>	Public joint stock company
<b>Registered address</b>	Šeimyniškių str. 1 A, Vilnius
<b>Company code</b>	121304349
<b>Register which accumulates and stores the data about the legal entity</b>	Vilnius Branch of the Register of Legal Entities
<b>The VAT payer's code</b>	LT213043414
<b>Authorized capital</b>	51 802 146 litas
<b>Fully paid authorized capital</b>	51 802 146 litas
<b>Number of shares</b>	51 802 146
<b>Nominal value per one share</b>	1 litas
<b>Class of the shares</b>	Ordinary registered shares
<b>Type of the shares</b>	Un-certificated
<b>ISIN code of the shares</b>	LT0000102279
<b>Regulated market on which the shares are traded</b>	NASDAQ OMX Vilnius
<b>Share account manager</b>	Public joint stock company brokerage house Finasta

- 4.3.2. The data on the Company Participating in the Split - Off after of Completion of the Split – Off (the new name - public joint - stock company Invalda LT); (if before the Second Meeting the Company Participating in the Split – Off acquire own shares, the below stated authorized capital of the Company Participating in the Split – Off will be revised in accordance with paragraph 5.2 of the Terms):

	Description
<b>Name of the legal entity</b>	public joint - stock company Invalda LT
<b>Legal form of the legal entity</b>	public joint - stock company
<b>Registered address</b>	Šeimyniškių str. 1 A, Vilnius
<b>Company code</b>	121304349
<b>Register which accumulates and stores the data about the legal entity</b>	Vilnius Branch of the Register of Legal Entities
<b>The VAT payer's code</b>	LT213043414
<b>Authorized capital</b>	28 259 185 litas
<b>Fully paid authorized capital</b>	28 259 185 litas
<b>Number of shares</b>	28 259 185
<b>Nominal value per one share</b>	1 litas
<b>Class of the shares</b>	ordinary registered shares
<b>Type of the shares</b>	un-certificated
<b>ISIN code of the shares</b>	LT0000102279
<b>Regulated market on which the shares are traded</b>	NASDAQ OMX Vilnius
<b>Share account manager</b>	public joint stock company brokerage house Finasta

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- 4.3.3. The data on the Split - Off Company (the public joint - stock company Invalda privatus kapitalas); (if before the Second Meeting the Company Participating in the Split – Off acquire own shares, the below stated authorized capital of the Split - Off Company shall be revised in accordance with paragraph 5.2 of the Terms):

	Description
<b>Name of the legal entity</b>	public joint - stock company Invalda privatus kapitalas
<b>Legal form of the legal entity</b>	public joint - stock company
<b>Registered address</b>	Šeimyniškių str. 1 A, Vilnius
<b>Company code</b>	shall be provided after registration in accordance with Legal acts of the Republic of Lithuania
<b>Register which accumulates and stores the data about the legal entity</b>	Vilnius Branch of the Register of Legal Entities
<b>The VAT payer's code</b>	shall be provided after registration in accordance with legal acts of the Republic of Lithuania
<b>Authorized capital</b>	23 542 961 litas will be formed in line with those Terms
<b>Fully paid authorized capital</b>	23 542 961 litas
<b>Number of shares</b>	23 542 961
<b>Nominal value per one share</b>	1 litas
<b>Class of the shares</b>	ordinary registered shares
<b>Type of the shares</b>	un-certificated
<b>ISIN code of the shares</b>	shall be provided after registration in accordance with legal acts of the Republic of Lithuania
<b>Regulated market on which the shares are traded</b>	the shares will not be traded on the regulated market
<b>Share account manager</b>	the agreement will be executed after registration of the Split - off Company

**5. THE EXCHANGE RATIO OF THE SHARES OF THE COMPANY PARTICIPATING IN THE SPLIT-OFF FOR THE SHARES OF THE SPLIT-OFF COMPANY, AND THE SUBSTANTIATION THEREOF.**

**THE NUMBER OF SHARES OF THE COMPANIES ACTING AFTER THE SPLIT-OFF ACCORDING TO THEIR CLASSES AND THEIR NOMINAL VALUE AS WELL AS THE RULES OF SHARE ALLOCATION TO THE SHAREHOLDERS**

- 5.1. As of the Day of Exchange of Shares, the authorized capital of the Company Participating in the Split – Off is 51 802 146 (fifty one million eight hundred and two thousand one hundred and forty six) litas. It is divided into 51 802 146 (fifty one million eight hundred and two thousand one hundred and forty six) ordinary registered shares par value of 1 (one) litas. As of the Day of the Terms the Company Participating in the Split – Off has not acquired treasury shares.
- 5.2. On the basis of those Terms 45,447849 percent of the assets, equity capital and liabilities of the Company Participating in the Split – Off will be separated and transferred to the Split – Off Company, and 54,552151 percent of the assets, equity capital and liabilities will stay with the Company Participating in the Split – Off, the authorized capital and shares of the Company Participating in the Split – Off will be divided respectively:

**Capital structure**

(on the condition that the Company Participating in the Split – Off will not acquire own shares before the Second Meeting)

The Authorized capital of the Company Participating in the Split - Off before the Split -	The Authorized capital of the Company Participating in the Split – Off after the	The Authorized capital of the Split - Off Company (45,447849 percent)
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Off (100 percent)		Completion of the Split - Off (54,552151 percent)			
Total amount (in litas)	The number of the ordinary registered shares (par value of 1 litas)	Total amount (in litas)	The number of the ordinary registered shares (par value of 1 litas)	Total amount (in litas)	The number of the ordinary registered shares (par value of 1 litas)
51 802 146	51 802 146	28 259 185	28 259 185	23 542 961	23 542 961

If within the time – period from the Day of the Terms till the Second Meeting the Company Participating in the Split – Off acquires own shares, those shares will not be exchanged for the shares of the Split – Off Company but annulled on the basis of the Terms. Such annulment of shares will not change the above stated division of the authorized capital and shares of the Company Participating in the Split – Off, i.e.:

- the authorized capital of the Company Participating in the Split – Off after the Split - Off will constitute 54,552151 percent of the authorized capital of Company Participating in the Split – Off, reduced by the value of own shares acquired by the Company Participating in the Split – Off;

- the authorized capital of the Split – Off Company will constitute 45,447849 percent of the authorized capital of Company Participating in the Split – Off, reduced by value of own shares acquired by the Company Participating in the Split – Off.

Taking into account the provisions of the paragraph thereof the Board of the Company Participating in the Split – Off will provide the accordingly amended Articles of Association of the Company Participating in the Split – Off and Split – Off Company for the approval of the Second Meeting.

- 5.3. As of the Day of Exchange of Shares each annulled ordinary registered share of par value 1 (one) litas in the Company Participating in the Split – Off will be exchanged for one ordinary registered share of par value 1 (one) litas in the split – Off Company, on the assumption that at the earliest acquired shares of each Shareholder are annulled.
- 5.4. The principles of share exchange are the following:
- 5.4.1. the shares of all Shareholders will be exchanged at the same time according to the status of the Day of Exchange of Shares;
- 5.4.2. after the Day of Exchange of Shares total number of shares of each Shareholder in the Company Participating in the Split – Off and the Split – Off Company will be equal to the number of shares of such Shareholder in the Company Participating in the Split – Off before the Day of Exchange of Shares;
- 5.4.3. a balance sheet value of the part of assets, equity capital and liabilities coming to each share in the Company Participating in the Split – Off as of the Day of Exchange of Shares will be equal to the sum of balance value of the assets, equity capital and liabilities coming to the shares of the Company Participating in the Split – Off and the shares in the Split – Off Company.
- 5.5. The shares in the Company Participating in the Split – Off and Split – Off Company after the Split - Off will be allocated to the Shareholders of the Company Participating in the Split – Off not proportionally to the share of such Shareholders in the authorized capital of the Company Participating in the Split – Off. The principles of the allocation are listed below:
- 5.5.1. as of the Day of the Terms, the Shareholders of the Company Participating in the Split – Off are divided into two groups as stated in Annex 7. The number of shares belonging to each group will be as follows:

Number of shares belonging to the Shareholders	Number of shares belonging to the
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of the First Group	Shareholders of the Second Group
41 036 389	10 765 757

5.5.2. as of the Day of the Terms all 41 036 389 shares belonging to the Shareholders of the First Group will be divided as follows:

The Company Participating in the Split - Off		The Split – Off Company	
Part (in percent)	Number of shares	Part (in percent)	Number of shares
54,552151	22 386 233	45,447849	18 650 156

The ratio provided in the table above in this paragraph applies to the total amount of shares belonging to all the Shareholders of the First Group but not to the shares of each Shareholder of the First Group separately;

5.5.3. as of the Day of the Terms all 10 765 757 shares belonging to the Shareholders of the Second Group will be divided as follows:

The Company Participating in the Split - Off		The Split – Off Company	
Part (in percent)	Number of shares	Part (in percent)	Number of shares
54,552151	5 872 952	45,447849	4 892 805

The ratio provided in the table above in this paragraph applies to the shares of each Shareholder of the Second Group;

5.5.4. in case if the Shareholder of the Second Group sells his shares (all or part of them) to third parties or to the Shareholder of the First Group or to the Company Participating in the Split – Off, such sale does not change the ratio stated in the paragraph 5.5.3.

5.5.5. the Shareholders of the First Group before the Second Meeting are allowed to sell their shares to third persons only on the following conditions: (i) information about such sale (including personal data of a buyer) will be provided to the Company Participating in the Split – Off before the Second Meeting; (ii) the sale of shares will be reflected in the securities accounts of both parties of the transactions before the Second Meeting. The persons who will acquire shares from the Shareholders of the First Group will be appointed to the First Group; their shares in the Company Participating in the Split – Off will be divided in the same way which was set for the Shareholder of the First Group from which the shares were acquired (Annex 7). The provisions of the paragraph 5.5.5 are applicable on the person who acquired shares from the Shareholder of the First Group even if such provision is not provided in the sale purchase agreement;

5.5.6. the Shareholders of the First Group will not sell their shares (neither all nor a part of them) to the Company Participating in the Split – Off before the Second Meeting;

5.5.7. in case if the Shareholder of the First Group acquires shares from the Shareholder of the Second Group, such shares are allocated to the Second Group and divided in a way stated in paragraph 5.5.3 of the Terms.

5.6. In case of a breach of the provisions stated in paragraphs 5.5.5 and 5.5.6, the Terms will become invalid. The Company Participating in the Split – Off will announce about invalidity of the Terms in the daily Lietuvos rytas as well as on the Central Storage Facility and the website [www.invalida.lt](http://www.invalida.lt).

5.7. The assets, equity capital and liabilities of the Company Participating in the Split - Off will be split – off according to their book value in proportion to the Split – Off part. The Split – Off Company will be provided with:

- 45,447849 percent of all assets of the Company Participating in the Split - Off;
- 45,447849 percent of all equity capital of the Company Participating in the Split - Off;
- 45,447849 percent of all liabilities of the Company Participating in the Split - Off.



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- 5.8. The ratio stated in paragraph 5.7 above will not apply on the split – off on each separate balance sheet item of the assets and liabilities of the Company Participating in the Split – Off or separate assets and/or liabilities of those balance sheet items, but it is necessary to follow those principles:
- in the split – off of each separate asset and liability balance sheet item or separate assets and/or liabilities, the ratio stated in paragraph 5.7 may not be followed if the value of separate balance sheet items or separate assets and/or liabilities do not significantly differ from market value;
  - in the split – off of each separate asset and liabilities balance sheet item or separate assets and/or liabilities, the ratio stated in paragraph 5.7 must be followed if the value of separate balance sheet items or separate assets and/or liabilities may significantly differ from market value.
- 5.9. In the split – off joint stock companies which main activity is lease of agricultural land and their parent companies are considered as one separate asset which is split – off according the ratio stated in paragraph 5.7 above.
- 5.10. Taking into account the fact that the rules of division and rounding of shares provided in the Terms do not make substantial impact of the interests of the Shareholders due to insignificance of rounding results on the absolute numbers, and taking into account the provisions of paragraphs 5.7 – 5.9, the split - off of assets, equity capital and liabilities of the Company Participating in the Split – Off according to their book value is fair and satisfying interests of the Shareholders in both companies continuing after the Split – Off. Every Shareholder after the Split – Off will retain the same part of property rights to the assets, equity capital and liabilities of the Company Participating in the Split – Off (as a sum property rights to the assets, equity capital and liabilities of the Company Participating in the Split – Off continuing after the Split – Off and the Split – Off Company).
- 5.11. Until the Completion of the Split – Off the Company Participating in the Split – Off will not issue any securities; otherwise those Terms will cease to be valid.
- 5.12. Whereas the shares in the companies continuing after the Split – Off will be allocated to the Shareholders not proportionally to their ownership in the authorized capital of the Company Participating in the Split – Off, in accordance with paragraph 4 of Article 67 of the Law on Companies of the Republic of Lithuania, the Shareholders holding the shares the nominal value whereof is less than 1/10 of the authorized capital of the Company Participating in the Split – Off shall have the right to require within 45 days after the adoption of a decision on the Split – Off by the general meeting of shareholders of the Company Participating in the Split – Off, that their shares be redeemed by the Company Participating in the Split – Off before the Completion of the Split – Off.
- 5.13. The Company Participating in the Split – Off will redeem shares (upon request of the Shareholders) within 45 calendar days time - period which will start not later than on the next day after the First Meeting. The procedure of redemption of shares will be announced on the website [www.invalida.lt](http://www.invalida.lt) not later than 10 days before the First Meeting.
- 5.14. The shares will be redeemed for the price not lower than the weighted average price of transactions with shares of the Company Participating in the Split – Off on NASDAQ OMX Vilnius Stock Exchange during the period of six months immediately preceding the First Meeting. The exact price of the shares to be redeemed will be established by the Board of the Company Participating in the Split – Off and announced together with procedure of redemption of shares as stated in paragraph 5.13 above.
- 5.15. If the nominal value of shares required to be redeemed exceeds 1/10 of the authorized capital of the Company Participating in the Split – Off, the Split – Off under the approved Terms will not be continued and the shares will not be redeemed. This fact will be immediately announced in the daily Lietuvos Rytas as well as on the Central Storage Facility and the website [www.invalida.lt](http://www.invalida.lt).
- 5.16. If the nominal values of shares required to be redeemed does not exceed 1/10 of the authorized capital of the Company Participating in the Split – Off, the redeemed shares will be paid – off before the Second Meeting.
- 5.17. If the Split – Off is discontinued due to the reasons stated in paragraphs 5.5.5 and 5.5.6 of the Terms, the Shareholders whose shares are redeemed in accordance with paragraph 5.12 will have a



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right to repurchase the shares from the Company Participating in the Split – Off within 40 days from the day of announcement of the invalidity of the Terms (as provided in paragraph 5.6) for the price provided in paragraph 5.14. The detailed procedure of repurchase will be published in the daily Lietuvos rytas, Central Storage Facility and on the website [www.invalida.lt](http://www.invalida.lt) within 5 business days from the announcement of invalidity of the Terms.

- 5.18. In accordance with paragraph 5 of Article 67 of the Law on Companies of the Republic of Lithuania, own shares acquired by the Company Participating in the Split – Off will not be exchanged to the shares in the Split - Off Company, but annulled on the basis of the Terms; the authorized capital of the Company Participating in the Split – Off will be reduced accordingly; the remaining authorized capital and shares (the assets, equity capital and liabilities) will be divided as follows:

- 54,552151 percent to the Company Participating in the Split - Off,
- 45,447849 percent to the Split - Off Company.

- 5.19. In order to ensure observation of restrictions to dispose the shares established for the Shareholders of the First Group and smooth implementation of the share exchange procedure stated in the Terms, the Company Participating in the Split – Off will request the NASDAQ OMX Vilnius Stock Exchange to suspend trading in the shares of the Company Participating in the Split – Off within the period from the 46-th day after the First Meeting till the 5-th business day after the registration of the Split – Off Company.

The trading on NASDAQ OMX Vilnius Stock Exchange will be suspended also in cases when it is required by legal acts.

- 5.20. If a fractional amount occurs while calculating a size of a new authorized capital and/or exchanging the shares in the Company Participating in the Split – Off for the shares in the Split – Off Company according to the Terms, the fraction will be rounded to a whole number using arithmetic rounding rules: (i) if the first digit of decimal fractional part is figure 5 (five) or bigger, 1 (one) is added to the last digit of the whole number; (ii) if the first digit of the decimal fractional part is less than 5 (five), the last digit of the whole number will remain unchanged. Other rules to be followed:

- 5.20.1. the number of shares of each Shareholder in the Company Participating in the Split – Off as of the Day of Exchange of shares will be equal to the total number of shares of this Shareholder in the Company Participating in the Split – Off and the Split – Off Company;
- 5.20.2. the authorized capital and, consequently, number of ordinary registered shares issued by the Company Participating in the Split – Off (except for its treasury shares) after the Split – Off will be equal to the sum of the authorized capitals of the Company Participating in the Split – Off and Split – Off Company (and the amount of issued shares). If due to arithmetic rounding the total sum of authorized capitals (and shares) is larger or smaller than the authorized capital and number of shares of the Company Participating in the Split – Off before the Day of Exchange, the number of shares held by the largest Shareholder will be adjusted accordingly up or down (either in the Company Participating in the Split – Off or the Split – Off Company);
- 5.20.3. if during the process of exchange of shares of each Shareholder due to arithmetical rounding the authorized capitals (and the amount of issued shares) of the Company Participating in the Split – Off or the Split – Off Company are larger or smaller than the ones calculated in accordance with ratio provided in paragraph 5.18, the number of shares held by the largest Shareholder will be adjusted accordingly up or down.

## **6. THE PROCEDURE FOR AND TIME LIMITS OF THE ISSUE OF SHARES TO THE SHAREHOLDERS OF THE COMPANIES CONTINUING AFTER THE SPLIT-OFF**

- 6.1. As of the end of the Day of Exchange of Shares the Shareholders on the basis of those Terms dispose of the respective amount of shares in the Company Participating in the Split – Off and obtain the shares in the Split - Off Company.

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- 6.2. The share account managers of the Company Participating in the Split – Off and the Split - Off Company shall make the necessary records confirming the disposal of the ownership of the shares in the Company Participating in the Split – Off and acquisition of the ownership of the shares in the Split - Off Company.
- 6.3. The shares of the Company Participating in the Split - Off will be traded on NASDAQ OMX Vilnius Stock Exchange.
- 6.4. The shares of the Split - Off Company will not be traded on NASDAQ OMX Vilnius Stock Exchange.
- 6.5. All the rights granted by shares of the companies acting after the Split - Off (except the right to elect managing bodies of the Split – Off Company, as per paragraph 12.7 of those Terms) the Shareholders will obtain on the day of registration of the amended Articles of Association of the Company Participating in the Split – Off and/or on the day of registration of the Split - Off Company in the Register of Legal Entities.

**7. THE PRICE DIFFERENCE, PAID OUT IN CASH, BETWEEN THE SHARES HELD BY THE SHAREHOLDERS AND THE SHARES TO BE RECEIVED IN THE COMPANIES CONTINUING AFTER THE SPLIT – OFF**

- 7.1. There will not be a price difference between the price of shares held by the Shareholders and price of shares to be received by those Shareholders in the companies continuing after the Split – Off, therefore, there will not be payments in cash.

**8. THE MOMENT FROM WHICH THE SHAREHOLDERS OF THE COMPANY PARTICIPATING IN THE SPLIT–OFF SHALL BE ENTITLED TO PARTICIPATE IN THE PROFITS OF THE COMPANIES CONTINUING AFTER THE SPLIT – OFF AND ALL TERMS RELATED TO THE GRANTING OF THIS RIGHT**

- 8.1. The Shareholders of the Company Participating in the Split – Off shall be entitled to participate in the profits of this company from the moment of registration of the amended Articles of Association of this company; and the shareholders of the Split - Off Company shall be entitled to participate in the profits of this company from the moment of its registration in the Register of Legal Entities; i.e. the shareholders will obtain the right to get dividends in those companies.

**9. THE EXACT DESCRIPTION OF THE ASSETS, RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF AND THE ALLOCATION THEREOF TO THE COMPANIES CONTINUING AFTER THE SPLIT – OFF**

**THE MOMENT FROM WHICH THE RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT - OFF SHALL BE ASSUMED BY THE SPLIT - OFF COMPANY**

**THE MOMENT FROM WHICH THE CONTRACTUAL RIGHTS AND LIABILITIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF SHALL BE ASSUMED BY THE SPLIT - OFF COMPANY AND THE TRANSACTIONS SHALL BE INCLUDED INTO ITS ACCOUNTING**

- 9.1. The Company Participating in the Split – Off on the basis of those Terms shall transfer the assets, equity capital and liabilities to the Split – Off Company in proportion to the Split – Off part, i.e. the Split – Off Company will be provided with 45,447849 percent of all assets, 45,447849 percent of equity capital and 45,447849 percent of all liabilities of the Company Participating in the Split – Off. Accordingly 54,552151 percent of assets; 54,552151 percent of equity capital and 54,552151 percent of liabilities will stay in the Company Participating in the Split – Off. The above ratio will apply on the split – off of the total assets, equity capital and liabilities of the Company Participating in the Split – Off, but not on the split – off of each balance sheet item.
- 9.2. Taking into account the ratio provided in paragraph 9.1 above, the Company Participating in the Split – Off will transfer 45,447849 of its assets, equity capital and liabilities to the Split – Off Company on the day of registration of the latter in the Register of Legal Entities. Transfer - Acceptance Certificates will be executed between the Company Participating in the Split – Off and

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the Split – Off Company (preliminary lists of assets, equity capital and liabilities of the Company Participating in the Split – Off as of the September 30, 2012 and the list of the assets, equity capital and liabilities to be transferred to the Split – Off Company are provided in Annexes 8 and 9).

- 9.3. Along with the assets to each company will be allocated a respective part of: (i) the contractual rights and liabilities related with the particular assets; and (ii) all rights, liabilities and assets that will appear from September 30, 2012 till the moment of execution of the Transfer - Acceptance Certificates, except cases when the Transfer - Acceptance Certificate provides otherwise (on the condition that different allocation shall not change the ratio of allocation of all assets, equity capital and liabilities: 54,552151 percent of the assets, equity capital and liabilities will be allocated to the Company Participating in the Split – Off and 45,447849 percent of the assets, equity capital and liabilities will be allocated to the Split - Off Company).
- 9.4. Transfer - Acceptance Certificates will be undersigned by the managers or other authorized persons of the Company Participating in the Split – Off and Split - Off Company. The assets, rights and liabilities to be allocated may be specified after the Completion of the Split – Off by signing the additional documents.
- 9.5. If any assets or liabilities that are not included into the Transfer – Acceptance Certificates will come out later, they will be allocated by the following ratio: 54,552151 percent – to the Company Participating in the Split – Off and 45,447849 percent – to the Split - Off Company.
- 9.6. The executed Transfer – Acceptance Certificates will be a legal base for the appropriate registration of the assets, equity and liabilities transferred to the Split - Off Company as well as for a change of a necessary registration data in any institutions, authorities or enterprises, including but not limited to a registration of the transfer of ownership rights or any other rights in public registers or other institutions.
- 9.7. From the day of execution of the Transfer – Acceptance Certificates:
  - 9.7.1. all the assets described in the Transfer – Acceptance Certificates as well as the rights and liabilities assigned to those assets will be transferred to the Split - Off Company and included into the accountings of the said company, if otherwise is not provided by legal acts;
  - 9.7.2. all the rights and liabilities including contractual rights and liabilities of the Company Participating in the Split – Off assumed by the Split - Off Company are included into the accountings of the Split - Off Company if otherwise is not provided by legal acts or contracts of the Company Participating in the Split – Off. If according to legal acts of the Republic of Lithuania or contracts of the Company Participating in the Split – Off the approval of a creditor is required for the transfer of particular liabilities, such liabilities are assigned to the Split - Off Company from the moment of receiving of particular approval of the creditor, if such moment is subsequent to the moment of assignment of liabilities stated in the Terms. If such approval is not received the Company Participating in the Split - Off and the Split - Off Company will put all efforts in order to agree on a replacement of liabilities of the similar value;
  - 9.7.3. the Split - Off Company will start fulfillment of the assigned contractual liabilities in line with the provisions of the contracts.
- 9.8. The assets, equity capital and liabilities that are not listed in the Transfer – Acceptance Certificates will stay in the Company Participating in the Split – Off;
- 9.9. The Company Participating in the Split – Off and the Split - Off Company will ensure that after the Completion of the Split - Off each of the companies thereof would be responsible exclusively for their own liabilities and no grounds for joint liability would arise.
- 9.10. The drawing up and publication of the Terms will not restrict the right of the Company Participating in the Split – Off to conduct its activity provided in the Articles of Association.
- 9.11. The Company Participating in the Split – Off, within the period from publication of the Terms till the Completion of the Split – Off, while signing contracts according to which the rights and liabilities will be assigned to the Split - off Company, will inform another party of such contract about the potential transfer of rights and/or liabilities on the basis of the Terms.

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## **10. THE RIGHTS OF CREDITORS**

- 10.1. The rights of the creditors of the Company Participating in the Split – Off are protected by Article 2.101 of the Civil Code of the Republic of Lithuania and Article 66 of the Law on Companies of the Republic of Lithuania.
- 10.2. The information about the drawn up Terms will be published in the daily Lietuvos Rytas and provided to all creditors of the Company Participating in the Split - Off in writing (by registered post on in person).
- 10.3. Each creditor of the Company Participating in the Split – Off will have a right to require early discharge of liabilities according to the agreements (if such a possibility is provided in the said agreements) in case if upon request of the creditors the additional safeguards are not provided and there is a ground for believing that the Split – Off will hinder the discharge of the liability. The creditors may provide their requests to the Company Participating in the Split - Off from the first day of publication of the Terms until the Shareholders will adopt the resolution of the approval of the Split – Off.
- 10.4. The Company participating in the Split – Off must provide additional safeguards for the discharge of liabilities to each creditor who so requests, where his rights arose and did not expire before the publication of the drawn up terms of the Split – Off and there is a ground for believing that, taking into consideration the financial status of those companies, the Split - Off will hinder the discharge of a liability.
- 10.5. The Company Participating in the Split - Off may refrain from providing additional safeguards for the discharge of liabilities if the discharge of its liabilities to the creditor is adequately secured by pledge, mortgage, surety or guarantee.
- 10.6. The documents for the registration of the companies continuing after the Split – Off after the registration or the Articles of Association thereof may not be submitted to the manager of the Register of Legal Entities if no additional safeguards for the discharge of liabilities have been provided to the creditor who so requested as laid down in those Terms as well as before a court's decision becomes effective if the dispute over additional safeguards for the discharge of liabilities is being heard in court.
- 10.7. Where any liability of the Company Participating in the Split – Off is assigned under the Terms to the Split - Off Company, that company will be liable for this liability. If the company fails to discharge the liability or any part thereof and no additional safeguards have been provided to the creditors who so requested, another company continuing after the Split – Off shall be jointly and severally liable for the failure to discharge the liability (or any part thereof). The liability of each of these companies shall be limited to the amount of the equity capital assigned to each of them under the Terms.

## **11. THE RIGHTS GRANTED BY THE COMPANIES CONTINUING AFTER THE SPLIT – OFF TO THE HOLDERS OF THE SHARES OF DIFFERENT CLASSES, DEBENTURES AND OTHER SECURITIES**

- 11.1. There are no any other securities issued by the Company Participating in the Split – Off than 51 802 146 ordinary registered shares of par value of 1 litas. The rights of the owners of those shares (Shareholders) are described by legal acts and the Articles of Association of the company thereof.
- 11.2. The Company Participating in the Split – Off has no intention to issue any additional shares from the Day of the Terms and before the Completion of the Split – Off. If any additional securities are issued, those Terms will cease to be valid.
- 11.3. The number of ordinary registered shares of the Company Participating in the Split – Off as of the day of the Completion of the Split – Off shall constitute 54,552151percent of the total number of shares of the company thereof as of the Day of the Terms, except own shares if such would be acquired by this company within the period from the Day of the Terms till the Second Meeting (i.e., if before the Second Meeting this company does not acquire own shares, the authorized capital of

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the Company Participating in the Split – Off will consist of 28 259 190 ordinary registered shares par value of 1 litas).

- 11.4. The number of ordinary registered shares of the Split - Off Company as of the day of the Completion of the Split – Off shall constitute 45,447849 percent of the number of shares of the Company Participating in the Split – Off as of the Day of the Terms, except own shares if such would be acquired by the Company Participating in the Split – Off within the period from the Day of the Terms till the Second Meeting (i.e., if before the Second Meeting the Company Participating in the Split - Off does not acquire own shares, the authorized capital of the Split – Off Company shall consist of 23 542 956 ordinary registered shares par value of 1 litas).
- 11.5. The owners of the shares in the Company Participating in the Split – Off and in the Split – Off Company will be granted with the rights foreseen by the Articles of Association of those companies and legal acts of the Republic of Lithuania.

**12. THE SPECIAL RIGHTS GRANTED TO THE MEMBERS OF THE BODIES OF THE COMPANY PARTICIPATING IN THE SPLIT – OFF AND THE SPLIT - OFF COMPANY AND TO THE EXPERTS CARRYING OUT THE ASSESSMENT OF THE TERMS OF THE SPLIT - OFF**

- 12.1. The Terms will be assessed by the joint – stock company Ernst & Young Baltic. The report on assessment of the Terms will indicate the following:
  - 12.1.1. a conclusion whether the share exchange ratio is fair and justified;
  - 12.1.2. methods used to determine the share exchange ratio and the conclusions on the appropriateness of these methods for and their impact on the determination of the value of the shares;
  - 12.1.3. a description of difficulties encountered during the assessment;
- 12.2. The rights granted to the joint – stock company Ernst & Young Baltic while assessing the Terms:
  - 12.2.1. to receive all documents necessary for the assessment of the Terms and preparation of the report on assessment;
  - 12.2.2. to receive necessary explanations from employees and managers of the Company Participating in the Split – Off;
  - 12.2.3. all other rights stated in the contract between the Company Participating in the Split – Off and joint – stock company Ernst & Young Baltic as well in the legal acts of the Republic of Lithuania.
- 12.3. As provided in the Articles of Association of the Company Participating in the Split – Off the bodies of the company thereof are the following: (i) the general meeting of shareholders; (ii) the Board and (iii) the President.
- 12.4. The structure of the managing bodies of the Company Participating in the Split – Off will not change after Completion of the Split - Off and will be the following: (i) the general meeting of shareholders; (ii) the Board and (iii) the President.
- 12.5. Before submission of the amended Articles of Association of the Company Participating in the Split – Off and related documents to the Register of Legal Entities, the Second Meeting of the Company Participating in the Split – Off will be convoked which will discharge the Board of the Company Participating in the Split - Off *in corpore* and elect a new Board for the term of office of 4 years. The term of office of the newly elected Board will start directly after the Second Meeting. The first meeting of the newly elected Board, which will take place directly after the Second Meeting, will elect the Chairman of the Board, discharge the Manager of the Company Participating in the Split - Off and elect a new Manager of the Company Participating in the Split – Off, the term of office whereof will start from the next day after the election.
- 12.6. After the Completion of the Split – Off the bodies of the Split - Off Company will be the following: (i) the general meeting of shareholders; (ii) the Board; and (iii) the manager. In accordance with part 3 of Article 69 of the Law on Companies of the Republic of Lithuania, the Meeting of the Split - Off Company will elect the Board of the Company thereof for the term of office of 4 years. The newly



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elected Board will start its activity from the day of registration of the Split – Off Company in the Register of Legal Entities, except the decision on approval of the manager of the Split – Off Company which will be taken by the Board just after the Meeting of the Split – Off Company. The elected manager will start his term of office from the moment of registration of the Split – Off Company in the Register of Legal Entities.

- 12.7. The Shareholders of the Company Participating in the Split – Off continuing after the Split – Off and shareholders of the Split - Off Company will have all rights stated by the Articles of Association of the companies thereof and legal acts.
- 12.8. The Board, President and employees of the Company Participating in the Split – Off during the Split – Off will have all rights foreseen in agreements and the Articles of Association of the company thereof and as well as legal acts.
- 12.9. The Board of the Company Participating in the Split – Off will:
  - 12.9.1. draw up the report on the intended Split – Off;
  - 12.9.2. take decisions and perform other actions related with the Split – Off and foreseen in those Terms and/or decisions of the general meeting of shareholders of the Company Participating in the Split – Off;
  - 12.9.3. manage the Split – Off and control its course;
  - 12.9.4. have all other duties and rights stated by legal acts and the Articles of Association the Company Participating in the Split – Off.
- 12.10. The manager of the Company Participating in the Split – Off will:
  - 12.10.1. within his competence take decisions and conduct all actions related with the Split – Off and provided in the Terms and/or resolutions of the Board of the Company Participating in the Split – Off;
  - 12.10.2. ensure publication of information and/or documentation if it is required by peremptory legal acts;
  - 12.10.3. in accordance with the requirements of law ensure publication of the information about drawn up Terms as well as submission the Terms and other related documents to the Register of Legal Entities;
  - 12.10.4. ensure the disclosure of decisions related with the Split – Off in accordance with the requirements provided by laws;
  - 12.10.5. submit the information and documentation related with the Split – Off to the Shareholders and creditors of the Company Participating in the Split – Off;
  - 12.10.6. take decision on provision of additional safeguards for discharge of liabilities to each creditor of the Company Participating in the Split – Off, who so requests;
  - 12.10.7. before the Completion of the Split – Off signs the agreements on behalf of the Split - Off Company;
  - 12.10.8. signs the Transfer – Acceptance Certificates on behalf of the Company Participating in the Split – Off;
  - 12.10.9. has all other liabilities and rights stated by legal acts and the Articles of Association of the Company Participating in the Split – Off.
- 12.11. The newly elected Board of the Split - Off Company will:
  - 12.11.1. appoint the manager of the Split – Off Company;
  - 12.11.2. have all other liabilities and rights stated by legal acts.
- 12.12. the newly appointed manager of the Split - Off Company will:
  - 12.12.1. sign the Articles of Association of the Split - Off Company as well as other documents necessary for registration of the company thereof in the Register of Legal Entities;
  - 12.12.2. sign the Transfer – Acceptance Certificates of behalf of the Split - Off Company;



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12.12.3. conduct other actions stated by legal acts and sign the documents provided in the Terms;

12.12.4. have all other rights stated by legal acts.

### **13. THE COMPLETION OF THE SPLIT - OFF**

13.1. The Split – Off shall be completed at the Completion of the Split – Off, i.e. from the moment when:

13.1.1. the amended Articles of Association of the public joint – stock company INVALIDA with a new name the public joint - stock company Invalda LT and reduced authorized capital of the company will be registered by the Register of Legal Entities;

13.1.2. the public joint – stock company Invalda privatus kapitalas will be registered by the Register of Legal Entities;

13.1.3. annulled shares of the Shareholders in the public joint - stock company INVALIDA will be exchanged for the ordinary registered shares in the newly established the public joint – stock company Invalda privatus kapitalas;

13.1.4. Transfer – Acceptance Certificates will be executed.

### **14. ANNEXES TO THE TERMS**

14.1. Annex 1. The minutes of the general meeting of shareholders of the public joint - stock company INVALIDA dated November 20, 2012.

14.2. Annex 2. The set of financial statements of the Company Participating in the Split – Off as of September 30, 2012.

14.3. Annex 3. The amended Articles of Association of the Company Participating in the Split - Off.

14.4. Annex 4. The Articles of Association of the Split - Off Company.

14.5. Annex 5. The report on assessment of the Terms.

14.6. Annex 6. The report on the intended Split – Off of the Board of the Company Participating in the Split - Off.

14.7. Annex 7. The Groups of the Shareholders.

14.8. Annex 8. The list of assets staying in the Company Participating in the Split – Off.

14.9. Annex 9. The list of assets to be transferred to the Split – Off Company.

14.10. Annex 10. The contracts the rights and liabilities whereof are transferred to the Split – Off Company.

14.11. Annex 11. The balance sheet of the Split – Off.