

AKCINĖ PREKYBOS BENDROVĖ “APRANGA”
ARTICLES OF ASSOCIATION

I. General

- 1.1. Akcinė prekybos bendrovė “APRANGA” (hereinafter referred to as the ‘Company’) has been established and operates in accordance with the Republic of Lithuania Law on Companies, the Civil Code of the Republic of Lithuania, the Republic of Lithuania Law on Securities, other laws and regulations of the Republic of Lithuania, and these Articles of Association of the Company.
- 1.2. The Company shall be a private legal entity with limited civil liability.
- 1.3. The Company shall be independent economically, commercially, financially, organisationally and legally.
- 1.4. The Company shall have its own bank accounts, trademarks.
- 1.5. The financial year of the Company shall be the calendar year.
- 1.6. The Company shall be established for an unlimited period.

II. Purposes and Object of Operations of the Company

- 2.1. *The purposes of the Company's activities:*
 - ensuring profitable operations;
 - effective business development and growth;
 - augmenting the shareholders’ assets.
- 2.2. *The object of the Company's activities:*
 - 2.2.1. Retail sale, wholesale, commission trade in non-food and food products;
 - 2.2.2. Mediation and representation activities;
 - 2.2.3. Services of customs warehouse and terminal, customs brokerage and customs guarantor, other services under customs control, subject to authorisation where required;
 - 2.2.4. Lease, construction and repairs of the retail network;
 - 2.2.5. Activities related to the acquisition, sale, lease of immovable property and other property;
 - 2.2.6. Transport and forwarding services, loading, unloading, sorting, packing of cargoes, other services necessary for the transport function;
 - 2.2.7. Custody, storage and transshipment of goods to third countries;
 - 2.2.8. Services of catering companies;
 - 2.2.9. Advertising services.
- 2.3. Activities requiring a permit or licence shall be started subject to receipt of the permit/licence.

III. Amount of the Authorised Capital. Number of Shares by Class, Share Par Value and Rights Attached to the Shares

Structure of the Company’s authorised capital

- 3.1. The authorised capital shall be equal to the sum of the par values of all shares subscribed in the Company.
- 3.2. The authorised capital of the Company shall be EUR 16,034,668.40 (sixteen million thirty-four thousand six hundred and sixty-eight euros and 40 euro cents).
- 3.3. The authorised capital of the Company shall be divided into 55,291,960 (fifty-five million two

hundred and ninety-one thousand nine hundred and sixty) ordinary registered shares at EUR 0.29 (twenty nine hundredths of a euro) par value per share.

- 3.4. The shares of the Company shall be uncertificated shares recorded by entries made in the shareholders' personal securities accounts. The shareholders' personal securities accounts shall be managed according to the procedure prescribed by legal acts governing the securities market.

Rights attached to the shares

- 3.5. The shareholder shall have the rights that are granted to him by the shares held by him in the Company.

The shareholder shall have no pecuniary obligations to the Company other than the obligation to pay for all the subscribed shares at their issue price according to established procedures.

- 3.6. An ordinary registered share shall grant the following pecuniary rights to its holder:

- 1) to receive part of the Company's profit (dividend);
- 2) to receive part of the assets of the Company under liquidation;
- 3) to receive shares free of charge when the authorised capital is increased from the Company's funds except the cases specified in the Law on Companies;
- 4) to acquire the shares or convertible bonds issued by the Company by the pre-emption right unless the general meeting of shareholders decides, according to a procedure prescribed by the Law on Companies, to recall this right for all shareholders.
- 5) to lend to the Company by methods established by the law, however, the Company borrowing from its shareholders may not mortgage/pledge its assets to the shareholders. When the Company borrows from its shareholder, the interest rate may not be higher than the average interest rate offered by commercial banks at the place of residence or place of business of the lender in effect as of the day of conclusion of the loan agreement. In such a case the Company and the shareholders shall be prohibited from agreeing on a higher interest rate;
- 6) to receive Company's funds in the case if the authorised capital is reduced in order to pay the Company's funds to the shareholders;
- 7) the shareholder may also have other pecuniary rights established by the laws of the Republic of Lithuania.

- 3.7. An ordinary registered share shall grant the following non-pecuniary rights to its holder:

- 1) to attend and vote at the general meeting of shareholders. An ordinary registered share shall grant its owner one vote at the general meeting of shareholders. The right to vote at the general meetings of shareholders may be revoked or restricted in cases prescribed by the Law on Companies and other laws of the Republic of Lithuania including cases when the share ownership is being contested;
- 2) to receive information on the Company as stated in the Law on Companies;
- 3) to file a lawsuit for damages incurred by the Company as a result of non-performance or improper performance of the duties of the Company's Chief Executive Officer and members of the Board as provided for by the laws of the Republic of Lithuania and these Articles of Association as well as in any other cases prescribed by the law;
- 4) to submit to the Company in advance questions regarding items on the agenda of the general meeting of shareholders;
- 5) other non-pecuniary rights established by the laws;

- 3.8. Unless the shareholder has acquired all the shares in the Company, the shareholder shall not have the right to vote on a resolution to revoke the pre-emption right to acquire the Company's shares or convertible bonds if, according to the agenda of the general meeting of shareholders, such pre-emption right has been granted to the shareholder, the shareholder's close relatives, the shareholder's spouse or cohabitant where partnership has been registered according to the procedure established

by law, and a close relative of the spouse if the shareholder is a natural person, also to the shareholder's parent company or subsidiary if the shareholder is a legal person.

IV. Bodies of the Company

- 4.1. The bodies of the Company shall include: **the general meeting of shareholders; the board** as a collegial management body; and **the Chief Executive Officer (the General Manager)** of the Company as a single-handed management body.
- 4.2. The Company's bodies shall act solely for the benefit of the Company and its shareholders and comply with the laws and other legal acts as well as the Articles of Association of the Company.

V. The General Meeting of Shareholders, Its Remit and Convention Procedures

Remit of the general meeting of shareholders

- 5.1. The remit of the general meeting of shareholders shall be as stated in the Law on Companies. In addition, the remit of the general meeting of shareholders of the Company shall include the taking of decisions on the composition of the Company's Audit Committee including the appointment and recalling of individual members of the Audit Committee, and the approval of the regulations of the Audit Committee.

Right to attend and vote at the general meeting of shareholders

- 5.2. Persons who were shareholders at the close of business on the record date of the meeting shall have the right to attend and vote at the general meeting of shareholders or an adjourned general meeting of shareholders in person, except as otherwise provided for by the laws, or may authorise other persons to vote for them or assign their voting right to other persons under an agreement on assignment of voting rights. The record date of the general meeting of shareholders shall be the fifth working day prior to the general meeting of shareholders or the fifth working day prior to an adjourned general meeting of shareholders.

The procedure for convening the general meeting of shareholders

- 5.3. The procedure for convening the general meeting of shareholders shall be as stated in the Law on Companies.
- 5.4. An ordinary general meeting of shareholders shall be held annually no later than four months after the end of the financial year.
- 5.5. An extraordinary general meeting of shareholders shall be convened in the cases specified in the Law on Companies.
- 5.6. A notice of convention of the general meeting of shareholders shall be published according to the procedure set forth in Article X of the Articles of Association not later than 21 days prior to the date of the general meeting of shareholders. The documents evidencing that the shareholders were given notice of the general meeting of shareholders shall be announced at the opening of the meeting.

Quorum and adoption of decisions at the general meeting of shareholders

- 5.7. The general meeting of shareholders may adopt decisions and it shall be deemed that the meeting has taken place if it is attended by shareholders whose shares account for more than ½ of all votes. After establishing that the meeting has a quorum, it shall be deemed that it remains until the end of the meeting. The shareholders who have voted in advance by written ballot shall be considered as participating in the general meeting of shareholders and their votes shall be included in the quorum of the meeting and the voting results.

- 5.8. A decision of the general meeting of shareholders shall be deemed to have been adopted if the number of votes ‘in favour’ exceeds the number of votes ‘against’, unless a higher majority is provided for by the Law on Companies or these Articles of Association.
- 5.9. The general meeting of shareholders shall adopt the following decisions by a qualified majority vote, which may not be less than 2/3 of all votes of the shareholders attending the meeting: to amend the Articles of Association save for exceptions specified in the Law on Companies; to determine the class, number, par value and minimum issue price of the shares issued by the Company; to convert the Company’s shares of one class into shares of another class and to approve the description of the share conversion procedure; to change the number of shares in the same class issued by the Company and the share par value without changing the amount of the authorised capital; to approve the distribution of profit (loss); to form, use, reduce or liquidate reserves; to declare dividends to the shareholders for a period shorter than a financial year; to issue convertible bonds; to increase the authorised capital; to reduce the authorised capital save for exceptions specified in the Law on Companies; to approve the rules for granting shares; to approve the remuneration policy; to approve the terms of reorganisation or splitting and reorganisation of the Company; to transform the Company; to restructure the Company; to liquidate the Company and to revoke the liquidation save for exceptions specified in the Law on Companies; to give a notice of an extraordinary meeting of shareholders no later than 16 days prior to the meeting when the Company enables the shareholders to attend and vote at the meeting by means of electronic communications available to all the shareholders.
- 5.10. A decision to revoke the pre-emption right to acquire the Company’s newly issued shares or convertible bonds of a specific issue for all the shareholders shall require a qualified majority vote that shall be no less than $\frac{3}{4}$ of all votes conferred by the shares of the shareholders present at the general meeting of shareholders and entitled to vote on the matter.

Minutes of the general meeting of shareholders

- 5.11. Minutes shall be taken of all the general meetings of shareholders. The minutes shall be drawn up and signed no later than within 7 days after the date of the general meeting of shareholders. The minutes shall be signed by the chairperson and the secretary of the general meeting of shareholders and may also be signed by persons authorised by the general meeting of shareholders. The minutes can also be signed with a qualified electronic signature, using a qualified electronic signature certificate.
- 5.12. The following shall be appended to the minutes: the register of the shareholders who attended the meeting; letters of power of attorney and other documents evidencing the persons’ voting right; the general ballot papers of the shareholders who voted in advance in writing; documents proving how it was voted by means of electronic communications; documents proving that the shareholders have been notified of the convention of the general meeting of shareholders; comments on the minutes and a conclusion on the comments issued by the signatories of the minutes.

VI. The Board of the Company, Its Remit and the Procedure for Electing and Recalling the Board Members

Formation of the Board

- 6.1. The board shall be a collegiate management body of the Company. Working procedures of the board shall be determined by the rules of procedure adopted by the board.
- 6.2. The board of the Company, consisting of six members, shall be elected by the general meeting of shareholders for the term of office of no more than 4 years. The procedure for electing and recalling

the members of the board of the Company shall be as stated in the Law on Companies.

Activities of the Board

- 6.3. Activities of the board shall be managed by the Chairperson of the board. The Chairperson shall be elected by the board members from among themselves.
- 6.4. The board shall perform the supervisory functions provided for in Article 34(11) of the Law on Companies.
- 6.5. The board shall perform its functions during the term specified in the Articles of Association or until a new board is elected and starts working but no longer than until the ordinary general meeting of shareholders held in the year of expiry of the board's term of office.
- 6.6. Any member of the board may initiate convention of the board's meeting. The board may take decisions and its meeting shall be considered as having taken place if at least 2/3 of its members are present at the meeting. A board member shall not have the right to vote when a matter related to his/her activities in the board or to his liability is decided at the meeting. A decision of the board shall be deemed to have been adopted when the number of votes 'in favour' exceeds the number of votes 'against'. In the event of a tie, the vote of the Chairperson of the board shall be decisive.
- 6.7. Members of the board shall maintain confidentiality of the Company's trade secrets and of confidential information that has become known to them while working as the board members.
- 6.8. Minutes of the board meetings shall be taken.

Remit of the Board

- 6.9. The board of the Company shall consider and approve:
 - 1) the Company's business strategy;
 - 2) the Company's interim and annual report;
 - 3) the Company's management structure and staff positions;
 - 4) positions to be filled by competitive recruitment;
 - 5) regulations of the Company's branches and representative offices;
 - 6) a description of the procedure for attending and voting at the general meetings of shareholders by means of electronic communications;
 - 7) annual budget.
- 6.10. The board shall adopt the following decisions:
 - 1) on the Company's becoming a founder of or a member in other legal entities;
 - 2) on establishment of branches and representative offices of the Company;
 - 3) on investment, transfer and lease of non-current the book value of which exceeds 1/20 of the Company's authorised capital (calculated separately for each type of transaction);
 - 4) on the pledging or mortgaging non-current assets the book value of which exceed 1/20 of the Company's authorised capital (calculated as a sum of transactions);
 - 5) on standing surety for or guaranteeing performance of other persons' obligations in the amount exceeding 1/20 of the Company's authorised capital;
 - 6) on acquisition of non-current assets at a price exceeding 1/20 of the Company's authorised capital;
 - 7) on issuing of bonds (other than convertible bonds) of the Company;
 - 8) other decisions within the remit of the board in accordance with the Law on Companies, the Articles of Association of the Company, resolutions of the general meeting of shareholders or legal acts.

- 6.11. The board shall analyse and evaluate materials submitted by the Chief Executive Officer on:
- 1) implementation of the business strategy of the Company;
 - 2) organisation of the Company's activities;
 - 3) financial position of the Company;
 - 4) results of economic activities, income and cost estimates, results of stocktaking and other accounting for changes in assets.
- 6.12. The board shall elect and recall the Chief Executive Officer of the Company, set his/her salary in accordance with the Company's Remuneration Policy, determine other terms and conditions of the employment contract, approve his/her job description, provide incentives and impose penalties.
- 6.13. The board shall determine which information is deemed to be trade/industrial secrets and confidential information of the Company.
- 6.14. The board shall analyse and evaluate the Company's annual financial statements and the draft profit (loss) distribution, the draft decision on allocation of dividends for a period shorter than a financial year and draft interim financial statements drawn up for that purpose, and, upon approval of these drafts, submit them to the general meeting of shareholders along with the Company's annual report.
- 6.15. The board shall analyse and evaluate the draft remuneration policy of the Company and submit it to the general meeting of shareholders together with feedback and proposals.
- 6.16. The board shall be responsible for timely convening and holding the general meetings of shareholders.

VII. Chief Executive Officer of the Company

General

- 7.1. The Chief Executive Officer (**the General Manager**) shall be the single-handed management body of the Company. The Chief Executive Officer shall act single-handedly in the relations with other persons.
- 7.2. The Chief Executive Officer of the Company shall be elected and dismissed by the board which shall set his/her salary, approve his/her job description, provide incentives and impose penalties. The employment contract with the Chief Executive Officer of the Company shall be concluded and signed on behalf of the Company by the Chairperson of the board or another person authorised by the board.
- 7.3. The Chief Executive Officer of the Company shall act in accordance with the laws and other legal acts, the Articles of Association of the Company, decisions of the general meeting of shareholders, decisions of the Board, and his/her job description.
- 7.4. The Chief Executive Officer of the Company shall act on behalf of the Company and shall be entitled to single-handedly conclude transactions of the Company. The Chief Executive Officer of the Company may conclude the following transactions provided that the Board has taken a decision to conclude such transactions: to invest, transfer or lease a non-current asset the book value of which exceeds 1/20 of the authorised capital of the Company (calculated individually for each type of transaction); to pledge or mortgage a non-current asset the book value exceeds 1/20 of the authorised capital of the Company (calculated for the sum of transactions); to stand surety for or guarantee the performance of third party obligations in the amount exceeding 1/20 of the authorised capital of the Company; to acquire non-current asset or the price exceeding 1/20 of the authorised capital of the Company.

Responsibilities of the Chief Executive Officer

- 7.5. The Chief Executive Officer of the Company shall be responsible for:
- 1) organising the Company's activities and achievement of its objectives;
 - 2) drawing up of annual financial statements and the annual report of the Company;
 - 3) concluding an agreement with an audit firm;
 - 4) submitting information and documents to the general meeting of shareholders and the board in cases prescribed by the Law on Companies or at a request of the shareholders/the board;
 - 5) submitting documents and information of the Company to the manager of the Register of Legal Entities;
 - 6) submitting documents to the Bank of Lithuania and the Lithuanian Central Securities Depository;
 - 7) publishing information as prescribed by the Law on Companies in a source specified in the Articles of Association;
 - 8) submitting information to the shareholders;
 - 9) drafting a decision on allocation of dividends for a period shorter than a financial year and drawing up interim financial statements and interim report for this purpose;
 - 10) drafting a description of the procedure for attending and voting at the general meetings of shareholders by means of electronic communications;
 - 11) drafting a procedure for the evaluation and conditions of related party transactions that are concluded as arm's length transactions in the usual course of business;
 - 12) drafting the remuneration policy and the remuneration report;
 - 13) publishing the remuneration policy and the remuneration report on the Company's website;
 - 14) drafting the rules for the granting of shares;
 - 15) notifying material events that influence the Company's activities to the shareholders and the board;
 - 16) performing other duties provided for in the laws and legal acts, the Articles of Association of the Company, and the CEO's job description.
- 7.6. The Chief Executive Officer of the Company shall organise daily activities of the Company, hire and dismiss employees, conclude and terminate employment contracts with them, provide incentives and impose penalties.
- 7.7. The Chief Executive Officer of the Company shall be responsible for the drafting of the share subscription agreement and for the truthfulness of information therein.
- 7.8. The Chief Executive Officer of the Company shall issue powers of attorney and letters of procuration within his/her remit. The Chief Executive Officer of the Company during his temporary incapacity for work, business trips, annual or other holidays, by his sole decision, has the right to reauthorize another employee of the Company to temporarily perform the duties of the Chief Executive Officer of the Company at that time.
- 7.9. The Chief Executive Officer of the Company shall be accountable and report regularly to the board on the implementation of the Company's business strategy, organisation of the Company's operations, the Company's financial position, results of its business activities, income and cost estimates, results of stocktaking and other accounting for changes in assets.

VIII. Audit of the Company

- 8.1. After the end of the financial year and before the annual general meeting, the Company's financial statements and the annual report shall be audited by an audit firm, The audit shall be carried out by the audit firm with which the Company has concluded an agreement on audit services.

82. An audit firm shall be elected and recalled and the terms of payment for the audit services shall be approved by the general meeting of shareholders.
83. The audit shall be carried out in accordance with legislation governing audit and the work of auditors.
84. The Chief Executive Officer of the Company shall ensure that the auditor is provided with all documents required for the audit as specified the agreement with the audit firm.

IX. Profit Distribution

Distribution of profit (loss)

91. Upon approval of the audited annual financial statements, the ordinary general meeting of shareholders shall distribute the profit (loss) of the Company available for distribution.
92. The Company's distributable profit (loss) consists of the sum of the profit (loss) for the reporting year, the retained profit (loss) for the previous year as of the end of the reporting year, the transfers from reserves and the shareholders' contributions to cover the loss.
93. A decision on distribution of the Company's profit (loss) taken by the general meeting of shareholders shall specify:
 - 1) the retained profit (loss) for the previous financial year at the end of the reporting financial year;
 - 2) the net profit (loss) of the reporting financial year.
 - 3) the profit (loss) of the reporting financial year not recognised in the profit (loss) account.
 - 4) transfers from reserves;
 - 5) the shareholders' contributions to cover the Company's losses (if the shareholders have decided to cover the loss in full or in part);
 - 6) total profit (loss) for distribution;
 - 7) the share of profit allocated to the statutory reserve;
 - 8) the share of profit allocated to the reserve for the acquisition of own shares;
 - 9) the share of profit allocated to the reserve for the granting of shares
 - 10) the share of profit allocated to other reserves;
 - 11) the share of profit for the payment of dividends. The amount of dividends paid to the shareholders during the reporting year for a period shorter than a financial year shall be separated out;
 - 12) the share of profit for the payment of annual bonuses to the board members, employee bonuses and other purposes;
 - 13) retained profit (loss) at the end of the reporting year to be brought forward to next financial year.

Dividends

94. A dividend is a share of profit allocated to a shareholder in proportion to the par value of the shares held by the shareholder.
95. If the amount of the Company's equity is smaller, or would be smaller after payment of the dividends, than the sum of the authorised capital, statutory reserve, revaluation reserve and the Company's reserve for the acquisition of own shares, or if the Company has any outstanding liabilities that have become due before the decision is taken, no dividend shall be declared. The general meeting of shareholders shall not decide to declare and pay dividend if the amount of the distributable profit (loss) for the financial year is negative (losses were incurred).
96. Dividends shall be payable to persons who were shareholders of the Company at the close of business on the tenth working day after the general meeting of shareholders that decided to pay the dividend, or who were otherwise legally entitled to dividends.

X. Procedures for the Publication of the Company's Notices and Presenting of Documents and Other Information to the Shareholders

Procedure for the publication of notices

- 10.1. The Chief Executive Officer of the Company shall publish a notice of convention of the general meeting of shareholders according to the procedure set forth in the Republic of Lithuania Law on Securities.
- 10.2. Periodic and current information (including insider information) referred to in the Law on Securities that the Company is obliged to disclose shall be published according to the procedure prescribed by the said law.
- 10.3. Other information and notices not referred to in Clauses 10.1 and 10.2 that must be published by the Company shall be published in an electronic publication issued by the manager of the Register of Legal Entities where public notices of legal entities are published. In cases where notices cannot be published in the electronic publication published by the registrar of the Register of Legal Entities due to technical reasons, the notices shall be published in *Lietuvos Rytas* daily.
- 10.4. Notices, documents and data shall be submitted to the registrar of the Register of Legal Entities in the cases and within the time limits deadlines prescribed by the laws and other legal acts.

Presenting information to the shareholders

- 10.5. At the shareholder's written request, the Company shall, no later than within 7 days from the date of receipt of the request, provide the shareholder with an opportunity to review and/or receive copies of the following documents: the Company's Articles of Association, annual and interim financial statements, annual and interim reports, auditor's opinion and audit reports on financial statements, minutes of the general meetings of shareholders or other documents documenting decisions of the general meetings of shareholders, lists of shareholders, lists of members of the board, other documents of the Company that must be public according to the law, and copies of other documents specified in the Articles of Association. The Company may refuse to grant the shareholder access to documents that are related to the Company's trade/industrial secrets or confidential information and/or to provide copies of such documents, except in cases where the Company's information is necessary for the shareholder in order to meet imperative requirements of other legal acts and the shareholder maintains confidentiality of such information. The Company shall enable the shareholder to familiarise himself/herself with other information of the Company and/or provide copies of documents if such information and documents, including information and documents related to the Company's trade/industrial secrets or confidential information, are necessary for the shareholder in order to meet imperative requirements of other legal acts and the shareholder maintains confidentiality of such information and documents. The Company shall refuse to present copies of documents to the shareholder if identity of the shareholder cannot be established. At the shareholder's request, the Company shall execute its refusal to enable the shareholder to access documents and/or to present copies of documents in writing.
- 10.6. The register of shareholders of the Company presented to the Company's shareholders shall contain available information on the shareholders as required by the Law on Companies and shall specify the number of shares held by each shareholder.
- 10.7. Documents of the Company and other information shall be provided to the shareholders free of charge.
- 10.8. All notices of the Company shall be published within the time limits established by laws and other legal acts of the Republic of Lithuania. The Chief Executive Officer of the Company shall be responsible for the publication of notices.

XI. Decisions on the Establishment of Branches and Representative Offices of the Company and Termination of Their Activities. Appointing and Recalling Managers of the Branches and Representative Offices of the Company

- 11.1. The Company may establish branches and representative offices in the Republic of Lithuania and in foreign countries in the course of its business activities. Decisions on the establishment of branches and representative offices of the Company and on termination of their activities shall be taken by the board of the Company.
- 11.2. The board of the Company shall approve regulations of the branches and representative offices of the Company to be established, appoint and dismiss management bodies of the branches and representative offices, and take decisions to terminate their activities, change their remit and operating objectives, and other details contained in their regulations.

XII. Procedure for Amending the Articles of Association

- 12.1. The general meeting of shareholders shall have the exclusive right to make amendments to the Articles of Association of the Company, save for exceptions specified in the Law on Companies. A decision to amend the Articles of Association of the Company shall be adopted by a qualified majority of the votes at the general meeting of shareholders, which may not be less than 2/3 of the total number of votes attached to the shares of all the shareholders present at the meeting, save for exceptions specified in the Law on Companies.
- 12.2. If the general meeting of shareholders adopts a decision to make amendments to the Articles of Association of the Company, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the general meeting of shareholders.
- 12.3. Upon making amendments to the Articles of Association of the Company, the Chief Executive Officer of the Company shall register them in the Register of Legal Entities within a statutory time limit.

These Articles of Association were signed on _____ 2024

Person authorised by the General Meeting of shareholders:

Rimantas Perveneckas

General Manager