



Annual Shareholders' Meeting 2017

Reminder

24 March 2017

Please find below the information on the preparation for the annual General Shareholders' Meeting and decisions which are required or recommended to be adopted during the meeting.

Convening the General Shareholders' Meeting

The Annual General Shareholders' Meeting (hereinafter – the "Shareholders' Meeting") must be held each year within at least 4 months after the end of the financial year of public or private limited liability company (hereinafter – the "Company"). Thus, if the financial year of the Company coincides with the calendar year, the Shareholders' Meeting, where the annual financial statements for FY 2016 shall be approved, has to take place by **30 April 2017**.

Decisions of the Shareholders' Meeting

The Shareholders' Meeting has to approve the annual financial statements of the Company and to distribute the profit (loss), as well as to get acquainted with the annual report prepared by the Managing Director, except for the cases when the Company is exempted from this obligation. If an audit of annual financial statements is mandatory under the laws or Articles of Association of the Company, the Shareholders' Meeting may approve only the audited financial statements.

Shareholders' Meeting may adopt other decisions as well, such as decision on approval of a new wording of Articles of Association, election of the members to

the Board/Supervisory Board, increase/reduction of the share capital, election of audit company for the following year, etc.

Members of the Board/Supervisory Board

The Board/Supervisory Board performs its functions for the period established by the Articles of Association of the Company or until the new Board/Supervisory Board is elected and start to act, however, no longer than until the Shareholders' Meeting takes place in the last year of the tenure of the Board/Supervisory Board. We recommend verifying, whether authorizations of the members of the Board/Supervisory Board of your Company are not expiring this year, and adopting appropriate decisions, if necessary.

Annual Financial Statements

Managing Director is responsible for preparation of the Annual Financial Statements of the Company. If the Board is formed in the Company, it analyses and evaluates the Annual Financial Statements, as well as the draft proposal on profit (loss) distribution and submits these documents for approval to the Shareholders' Meeting (prior to the Supervisory Board, if it is formed). It is noteworthy that according to the case-law and the letter of the law, the Board must not only formally approve, but also to submit the statements and suggestions on the abovementioned documents to the Shareholders' Meeting.

In case the audit of the Annual Financial Statements is not required by the Articles of Association of the private limited liability company, the statutory audit has to be performed if at least two indicators exceed the following limits on the last day of the financial year:

- net turnover during the reported financial year exceeds **EUR 3,500,000**;
- the value of the assets reported in the balance sheet is above **EUR 1,800,000**;
- according to the list, the average number of the employees during the reported financial year exceeds **50 persons**.

The audit of the Annual Financial Statements is also compulsory for private limited liability companies, whose shareholder is the state and/or municipality, and for all public limited liability companies

Note: *This summary is compiled for informational purposes only and cannot be treated as binding advice.*

Should you require more information, please contact:

Mr Tomas Davidonis
Senior Manager, Attorney at Law
Tel: +370 5 255 3075
E-mail: tdavidonis@deloittece.com

Mr Tomas Mieliauskas
Manager, Assistant Attorney at Law
Tel: +370 612 98519
E-mail: tmieliauskas@deloittece.com

Deloitte provides audit, tax, consulting, financial advisory and legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 244,400 professionals are committed to making an impact that matters.

In Lithuania, the services are provided by Deloitte Lietuva UAB and Deloitte verslo konsultacijos UAB (jointly referred to as "Deloitte Lithuania") which are affiliates of Deloitte Central Europe Holdings Limited. Deloitte Lithuania is one of the leading professional services organizations in the country providing services in audit, accounting, tax, consulting, financial advisory, business advisory and legal services through over 100 national and specialized expatriate professionals.