



Notification on material event

DRAFT DECISIONS OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

Draft agenda and draft decisions of the extraordinary general meeting of the shareholders of AB „Utenos trikotažas“ (hereinafter – **the Company**) to be held on 12-09-2014 proposed by the Board of the Company:

1. Reduction of the Company's authorized capital (the purpose of reduction: to eliminate the losses recorded in the balance sheet of the Company; the way of reduction: cancellation of the Company's shares).

To reduce the Company's authorised capital from LTL 19.834.442 (nineteen million eight hundred thirty four thousand four hundred forty two litas) to LTL 5.000.000 (five million litas). Thereby, the Company's authorised capital is reduced by the amount equal to LTL 14.834.442 (fourteen million eight hundred thirty four thousand four hundred forty two litas) (hereinafter – **the Amount of Reduction**).

The purpose of reduction of the Company's authorised capital - to eliminate the losses recorded in the balance sheet of the Company.

The way of the reduction of the Company's authorized capital – cancellation of the Company's shares. When reducing the authorised capital, shall be cancelled the Company's shares with the total nominal value equal to the Amount of Reduction, i.e. LTL 14.834.442 (fourteen million eight hundred thirty four thousand four hundred forty two litas).

The number of shares owned by the shareholders of the Company is reduced in the following order:

(i) The shares are cancelled to all the shareholders of the Company in proportion to the nominal value of shares owned by them.

(ii) The number of shares attributable to the shareholders, who at the end of the day of registration of amended Company's Articles of Association hold more than 1 (one) share, shall be calculated by multiplying the number of shares, held by the shareholder at the end of the day of registration of amended Company's Articles of Association, by the ratio of 0,25208675 (reduced authorised capital divided by the current authorised capital, eight digits after the decimal point) and rounding off in the following order:

(a) If the fractional part of the number of shares is equal to 0.5 or more – the number of shares shall be rounded up to the whole number;

(b) If the fractional part of the number of shares is less than 0.5 – the number of shares shall be rounded down to the whole number (in such case the existing difference between the whole number and its fractional part shall not be compensated).

(iii) The Shareholders that under the rules on share exchange stipulated in this decision after rounding-off are attributed the number of shares (hereinafter – **the Calculated Number of Shares**) lesser than 1 (one), shall maintain 1 (one) share of the Company.

(iv) If the Calculated Number of Shares to all the shareholders exceeds 5.000.000 (five million), i.e. the number of shares of the Company after reduction of the Company's authorised capital (hereinafter – **the Maximum Number of Shares**), the number of shares to the shareholder, who holds the biggest Calculated Number of Shares, shall be reduced by the number equal to the difference between the Calculated Number of Shares to all the shareholders and the Maximum Number of Shares in order the Companies' authorised capital be constituted from the Maximum Number of Shares.

(v) If the Calculated Number of Shares to all the shareholders is less than the Maximum Number of Shares, the number of shares to the shareholder, who holds the biggest Calculated Number of Shares, shall be increased by the number equal to the

difference between the Maximum Number of Shares and the Calculated Number of Shares to all the shareholders in order the Companies' authorised capital be constituted from the Maximum Number of Shares.

Prior to presentation of documents to the Register of Legal Entities for registration of documents regarding reduction of the authorized capital, an application shall be submitted for suspension of the trading in shares of the Company in AB NASDAQ OMX Vilnius stock exchange. It is intended to suspend the trading in shares of the Company until the day on which the Register of Legal Entities registers the Company's Articles of Association with indicated reduced authorized capital and the Central Securities Depository of Lithuania makes adjustments of general securities account, unless it would be necessary to suspend the above trading for a longer period.

To establish that after the reduction of the Company's authorized capital, the Company's authorized capital shall be divided into 5.000.000 (five million) ordinary registered shares with a nominal value of LTL 1 (one litas) each.

2. The approval of the new edition of the Company's Articles of Association with regard to reduced Company's authorized capital.

To amend Company's Articles of Association and to approve the new edition of the Company's Articles of Association with regard to reduced Company's authorized capital.

3. Authorisation.

To authorise the Managing Director of the Company Mr. Gintautas Bareika (with a right to sub-authorize) to perform all and any actions related to the fulfilment of the decisions of the extraordinary General Meeting of the Shareholders, including, but not limited to, to sign the new edition of the Company's Articles of Association and to register amended Company's Articles of Association in the Register of Legal Entities.

For more information please contact Mr. Gintautas Bareika, Managing Director of AB "Utenos trikotažas", tel. No. 370 389 51445.

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