Official translation

REPUBLIC OF LITHUANIA

**LAW**

**ON EUROPEAN COMPANIES**

29 April 2004 No. IX-2199
Vilnius

**Article 1. Objective and Scope of the Law**

1. This Law shall regulate the transfer of the registered office, the formation, management and conversion of the legal persons which adopt the form of a European company.

2. This Law shall ensure the application of the Council Regulation (EC) on the Statute for a European company (SE) (hereinafter referred to as the “Regulation”), referred to in the Annex to this Law.

3. The legal provisions of the Republic of Lithuania regulating public limited-liability companies to the extent permitted by the Regulation and unless otherwise provided for by the Regulation, this Law and other legal acts regulating European companies shall apply *mutatis mutandis* to European companies whose registered office is located in the Republic of Lithuania.

**Article 2. Transfer of the Registered Office of a European Company to Another State**

1. If there are different classes of shares in a European company, a decision concerning the transfer of the registered office of a European company to another state shall be taken by the general meeting of the shareholders of a European company, if each class of shareholders (as well as holders of non-voting shares) approves the decision by the separate vote. Voting on the decision concerning the transfer of the registered office of a European company must not be secret. The document attesting the decision taken by the general meeting of the shareholders of a European company concerning the transfer of the registered office of the said European company, must be submitted to the Administrator of the Register of Legal Persons not later than within 5 days from the taking of the decision by the general meeting.

2. A transfer proposal of the registered office of a European company drawn up by the management or administrative organ of a European company must be publicised 3 times with at least 30-day intervals in the daily newspaper indicated in the statutes or publicised once in the daily newspaper indicated in the statutes and all creditors of the company must be notified in writing. The publication and the notice must state the name, registered office and number of a European company, particulars specified in Article 8 (2) (a) and (d) of the Regulation, when and where it is possible to examine the documents specified in Article 8 (4) of the Regulation.

3. The transfer proposal of the registered office of a European company must be submitted to the Administrator of the Register of Legal Persons not later than on the first day of its publication in the daily newspaper indicated in the statutes.

4. A European company shall acquire the status of a European company whose registered office is being transferred from the moment the Administrator of the Register of Legal Persons publicises the transfer proposal of the registered office of a European company.

5. The legal provisions of the Republic of Lithuania regulating the protection of the rights of the creditors and holders of bonds of the public limited-liability company under reorganisation shall apply *mutatis mutandis* to the protection of the rights of the creditors and holders of bonds of the European company whose registered office is being transferred.

6. After the taking of the decision to transfer the registered office of a European company and until the receipt of a certificate specified in Article 8 (8) of the Regulation, a tender offer to buy up the shares of a European company must besubmitted and realised. The provisions of the legal acts regulating mandatory tender offers shall apply to this tender offer, unless this paragraph provides otherwise. The tender offers shall be submitted by the shareholders who voted for the decision to transfer the registered office of a European company. One or several shareholders shall have the right to fulfil this obligation for other shareholders. The shareholders who voted against or did not vote at all when the decision to transfer the registered office of a European company was taken shall have the right to sell their shares at the time of the tender offer.

7. The Ministry of Justice shall, in the manner prescribed by the Government, have the right to oppose to the transfer of the registered office of a European company to another state, if such transfer of the registered office of a European company would be in contravention of public interests. Disputes regarding the transfer of the registered office of a European company to another state shall be settled in court.

8. The Securities Commission of the Republic of Lithuania or the Bank of Lithuania shall, in the manner prescribed by the legal acts regulating their activities, have the right to oppose to the transfer of the registered office of a European company to another state, if the activity carried on by the said European company is assigned to the supervision of theses institutions.

**Article 3. Formation of a European Company**

1. The Ministry of Justice shall, in the manner prescribed by the Government, have the right to oppose to the participation of a public limited-liability company in the formation of a European company by merger referred to in Article 2 (1) of the Regulation. Disputes relating to the participation of a public limited-liability company in the formation of a European company by mean of merger shall be settled in court.

2. The legal provisions of the Republic of Lithuania regulating the taking by the general meeting of the public limited-liability company’s shareholders of a decision regarding the reorganisation of the public limited-liability company shall apply *mutatis mutandis* to the taking by the general meeting of the public limited-liability company’s shareholders of a decision regarding the approval of the draft terms of merger according to Article 23 of the Regulation. Voting on the approval of the draft terms of merger must not be secret. After the taking of the decision regarding the approval of the draft terms of merger, if the proposed registered office of a European company, indicated in the draft terms of merger, is not situated in the Republic of Lithuania, until the receipt of the certificate referred to in Article 25 (2) of the Regulation, a tender offer to buy up the shares of a European company must be submitted and realised. A tender offer shall be submitted and realised pursuant to Article 2 (6) of this Law.

3. When a holding European company is formed pursuant to Article 2 (2) of the Regulation, the draft terms of formation of a holding European company must be evaluated by the firm of auditors entered into contract with by each public limited-liability company promoting the formation of a holding European company.

4. The draft terms of formation of a holding European company must be submitted to the Administrator of the Register of Legal Persons not later than on the first day of publication of the drawing up thereof in the daily newspaper specified in the statutes of the public limited-liability company promoting the formation of a holding European company. The report on the evaluation of the draft terms of formation of a European company drawn up by the firm of auditors must be submitted together with the said draft terms of formation of the European company.

5. From the day of publication by the Administrator of the Register of Legal Persons of the drawing up of the draft terms of formation of a holding European company, the public limited-liability company promoting the formation of a holding European company shall acquire the status of a public limited-liability company promoting the formation of a holding European company.

6. The legal provisions of the Republic of Lithuania regulating the notifying of the intended reorganisation of a public limited-liability company, provision of additional safeguards for the discharge of obligations to the creditors of a public limited-liability company under reorganisation or participating in the reorganisation, and the taking of a decision by the general meeting of shareholders concerning the reorganisation of a public limited-liability company shall apply *mutatis mutandis* to the notifying of the intended formation of a holding European company, provision of additional safeguards for the discharge of obligations to the creditors of a public limited-liability company promoting the formation of a holding European company, and the taking of a decision by the general meeting of shareholders concerning the formation of a holding European company.

7. After the expiry of the period referred to in Article 33 (1) of the Regulation, a public limited-liability company promoting the formation of a holding European company must not later than within 5 days inform the Administrator of the Register of Legal Persons whether the conditions set out in Article 33 (2) of the Regulation are fulfilled.

8. The document attesting to the decision of the general meeting of shareholders to form a holding European company must, not later than within 5 days after expiration of the period referred to in the second paragraph of Article 33 (3) of the Regulation, be submitted to the Administrator of the Register of Legal Persons. If the proportion of shares assigned to shareholders in writing exceeds the minimum proportion of the public limited-liability company’s shares provided for in the draft terms of formation of a holding European company, the company board (in the case the board is not formed – the company manager) must, in compliance with the draft terms of formation of a holding European company, change appropriately the amount of statutory capital of a holding European company, and the number of shares and (or) their nominal value, specified in the statutes of the holding European company.

**Article 4. Management of a European Company**

1. The registered office of a European company, indicated in the Register of Legal Persons, and its head office must be located in the same place.

2. The management or administrative organ of a European company must have at least 3 members.

3. The supervisory organ of a European company must have at least 3 and not more than 15 members.

4. The management or supervisory organ must, in the manner prescribed by the statutes of a European company, appoint a member of the management organ or the administrative organ must, in the manner prescribed by the statutes of a European company, appoint a member of the administrative organ who is responsible for the management of a European company in the same manner as the manager of a public limited-liability company is liable under the legal provisions of the Republic of Lithuania.

**Article 5. Conversion of a European Company**

1. Draft terms of conversion drawn up by the management or administrative organs of a European company under conversion must include at least the following particulars:

1) information set out in Article 2.44 of the Civil Code of the Republic of Lithuania;

2) the name of a legal person of a new form, its registered office and legal form (a public limited-liability company);

3) the procedure and terms for the allotment of shares of a public limited-liability company;

4) the special rights conferred on a firm of auditors evaluating the ratio of the equity capital of a European company and its statutory capital.

2. The statutes of a European company must be drawn up together with the statutes of a public limited-liability company and a report of the management or administrative organ.

3. The firm of auditors entered into contract with a European company shall draw up a report attesting to the compliance of the amount of equity capital of the European company with the requirements laid down in the Regulation.

4. The draft terms of conversion must be submitted to the Administrator of the Register of Legal Persons not later than on the first day of publication of the drawing up thereof in the daily newspaper indicated in the statutes. A report of the firm of auditors certifying that the amount of equity capital complies with the requirements laid down in the Regulation, as well as the statutes of a public limited-liability company shall be submitted to the Administrator of the Register of Legal Persons together with the draft terms of conversion.

5. A European company shall acquire the status of a European company under conversion from the day of publication by the Administrator of the Register of Legal Persons of the drawing up of the draft terms of conversion.

6. The document certifying the decision by the general meeting of shareholders of a European company concerning the conversion of the European company must not later than within 5 days be submitted to the Administrator of the Register of Legal Persons.

7. Paragraphs 1–6 of this Article shall apply *mutatis mutandis* to the conversion of a public limited-liability company into a European company.

**Article 6. Rights and Duties of the Administrator of the Register of Legal Persons**

1. The Administrator of the Register of Legal Persons shall issue certificates referred to in Article 8 (8) and Article 25 (2) of the Regulation.

2. The Administrator of the Register of Legal Persons shall have the right to approve of the same firm of auditors which evaluates the draft terms of merger pursuant to Article 22 of the Regulation or the draft terms of formation of a holding European company pursuant to Article 32 (4) of the Regulation.

3. The Administrator of the Register of Legal Persons shall ensure publication of the documents and particulars concerning a European company and the branches and representative offices of a European company as well as ensure forwarding of particulars referred to in the Regulation to the Office for Official Publications of the European Communities.

4. The Administrator of the Register of Legal Persons shall be responsible for providing information pursuant to Article 64 (4) of the Regulation.

**Article 7. Entry into Force of the Law**

Articles 1–6 of this Law shall enter into force on 8 October 2004.

**Article 8. Recommendations to the Government**

By 1 September 2004 the Government shall:

1) submit to the Seimas a draft law implementing Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees;

2) supplement the Regulations of the Register of Legal Persons with the provisions necessary for the implementation of this Law and the Regulation;

3) establish the procedures provided for in Article 2 (7) and Article 3 (1) of this Law.

*I promulgate this Law passed by the Seimas of the Republic of Lithuania.*

ACTING PRESIDENT OF THE REPUBLIC ARTŪRAS PAULAUSKAS

Annex to

the Republic of Lithuania Law on

European Companies

**LEGAL ACT OF THE EUROPEAN UNION BEING IMPLEMENTED**

Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE).