

**ARTICLES OF ASSOCIATION**  
of  
**AB “Amber Grid”**

**1. GENERAL PART**

- 1.1. AB “Amber Grid” (the Company) is a limited civil liability private legal entity with the authorized capital divided into shares.
- 1.2. The Company shall be liable for its obligations to the extent of its own assets. The Company shall not be liable for the shareholders’ obligations, whereas the shareholders shall not be liable for the Company’s obligations. The shareholders do not have any other property obligations to the Company except for the obligation to pay the emission price for all the subscribed shares following the established procedure.
- 1.3. Legal form of the Company shall be a private limited civil liability company.
- 1.4. Financial year of the Company shall be a calendar year.
- 1.5. The Company shall be established for an indefinite period.
- 1.6. The Company, together with the parent company UAB “EPSO-G” (the Parent Company) and other legal entities directly or indirectly controlled by the Parent Company, shall form the company group (the Company Group).
- 1.7. In its activities the Company shall follow the laws, the European Union and international legislation, as applicable, other legislation effective in the Republic of Lithuania, the Guidelines on Corporate Governance of State-Owned Enterprise Group of the Energy Sector with all its subsequent amendments and supplements adopted by the Ministry of Energy of the Republic of Lithuania, resolutions of the Government of the Republic of Lithuania regarding governance of the state-owned or controlled companies (to the extent applicable to the companies of the Company Group), the Governance Code for the Listed Companies of NASDAQ Vilnius (the Governance Code) to the extent that it is not otherwise established by these Articles of Association, as well as these Articles of Association (the Articles of Association), internal corporate documents of the Company Group and the Company approved following the established procedure.

**2. PURPOSES AND OBJECT OF THE COMPANY’S ACTIVITIES**

- 2.1. The main purposes of the Company’s activity are to engage in activities of transmission of natural gas, within its competence to ensure stability and reliability of the gas system in the territory of the Republic of Lithuania and to create objective and non-discriminatory conditions for the use of gas networks, as well as conditions for development of competitive gas market, to operate safely and efficiently the gas transmission system, to ensure reliable gas transmission (transportation through high-pressure pipelines) to the users of the natural gas transmission system, enduring capacity of the system to satisfy reasonable demands of gas transportation, to control the assets of the gas transmission system and their belongings, as well as to guarantee expansion of the gas transmission system and connection with other systems, and rational use of the Company’s assets and other resources.
- 2.2. The Company’s long-term (strategic) objectives, within the scope of its competence, while seeking to fulfil strategic objectives of the national energy independence, shall be as follows:
  - 2.2.1. to ensure integration into the gas network of the continental Europe within the scope of its functions as the transmission system operator;
  - 2.2.2. to create favourable conditions for operation of the regional gas market in the integrated European gas network in cooperation with the gas transmission system operators of the region.

- 2.3. In its activities the Company, beyond the above-mentioned purposes, shall also seek for sustainable growth of the business value of the Company and shall strive to guarantee a long-term benefit for the shareholders.
- 2.4. The main activity of the Company is operating the gas transmission system and engaging in other activities to the extent that they comply with the activity of the gas transmission system operator. The Company shall have a right to engage in other activities if the main activity of the Company remains the gas transmission. The Company shall engage in licenced activities or those requiring permits only having obtained the necessary licences or permits.

### **3. AUTHORIZED CAPITAL. NUMBER OF SHARES ACCORDING TO THEIR CLASSES, THEIR NOMINAL VALUE AND RIGHTS GRANTED**

- 3.1. The authorized capital of the Company shall be EUR 51,730,929.06 (fifty one million seven hundred thirty thousand and nine hundred twenty nine Euros and 6 cents).
- 3.2. The Company's authorized capital shall be divided into 178,382,514 (one hundred seventy eight million three hundred eighty two thousand and five hundred fourteen) ordinary registered shares (hereinafter one ordinary registered share of the Company – the Share).
- 3.3. The nominal value of the Share shall be EUR 0.29 (twenty nine cents).
- 3.4. All the Shares shall be intangible and recorded in the shareholders' personal securities accounts maintained by the securities account manager with whom a contract has been concluded for book keeping of the Shares.

### **4. SHAREHOLDERS AND THEIR RIGHTS**

- 4.1. The Company's shareholders shall have rights and obligations established by legislation, other regulations and these Articles of Association.
- 4.2. All bodies of the Company shall act so as to ensure proper conditions for the Company's shareholders to exercise their rights.

### **5. BODIES AND MANAGEMENT OF THE COMPANY**

- 5.1. The Company's bodies shall be the following:
  - 5.1.1. the general shareholders' meeting (the Meeting);
  - 5.1.2. the board (the Board);
  - 5.1.3. the head of the Company – the Director General of the Company (the Director General).
- 5.2. Considering that the Company belongs to the Company Group and the Supervisory Board of the Parent Company performs supervision of functioning of the internal control system and risk management within the Company Group according to the procedure established by the Articles of Association of the Parent Company, the Company's Meeting and the Board may take into consideration suggestions and recommendations of the Parent Company's Supervisory Board offered in regard of matters within the competence of a particular body of the Company. The audit committee established in the Parent Company shall act as the audit committee of the entire Company Group, *inter alia*, shall function as the audit committee of the Company.
- 5.3. Bodies of the Company shall adopt decisions independently and within the scope of their competence granted by legislation effective in the Republic of Lithuania and these Articles of Association. The bodies of the Company shall be fully liable for decisions adopted. In adoption of decisions, the Company's bodies shall act in favour of the Company and the Company's shareholders.
- 5.4. Bodies of the Company, pursuant to legislation effective in the Republic of Lithuania and with regard to provisions of other documents specified in Article 1.7, shall seek to fulfil objectives of the Company and common objectives of activity of the Company Group, act with social responsibility, *inter alia*, with regard to the core environmental, social, financial and ethical principles established by international standards.
- 5.5. Bodies of the Company in their activity shall also follow the main principles of corporate governance of the Company Group: transparency of the activity of the Company Group, unbundling the functions

of ownership and regulation of the state, certainty and sustainability of the objectives of the Company Group, proper realization of the shareholders' rights.

- 5.6. Management bodies of the Company in adopting decisions and acting within the competence granted by regulations and these Articles of Association, shall also take into consideration other principles of corporate governance of the Company Group, that is, compliance with regulations and standards of best practice, operational efficiency, sustainability of the Company Group, competitiveness of activities, responsibility of the management and supervisory bodies of the Company Group and proper accountability to the shareholders.

## 6. GENERAL SHAREHOLDERS' MEETING

- 6.1. Procedure for convening the Meeting, adoption of decisions and competence shall not differ from that of convening the general shareholders' meeting, adoption of decisions and competence prescribed by Law on Companies of the Republic of Lithuania (the Law on Companies), except for additional competence of the Meeting as specified in Article 6.2 of these Articles of Association.
- 6.2. The Meeting shall also adopt decisions regarding the following (additional competence of the Meeting):
- 6.2.1. approval of decisions taken by the Company's Board as specified in Article 7.12.3 of these Articles of Association. When approving the Board's decisions regarding particular transactions, the Meeting *inter alia*, shall approve also the essential conditions of such transactions approved by the Board's decision in accordance with procedure established by Article 7.13;
- 6.2.2. appointment of the Board members, establishment of the size of maximum annual remuneration budget for the Board members and particular remuneration rates for the Board members, conclusion of agreements with the Board members on activity in the Board, establishment of standard terms and conditions of such agreements, and appointment of a person authorized to sign these agreements on behalf of the Company.

## 7. BOARD OF THE COMPANY

- 7.1. The Board shall be the Company's collegial management body consisting of 5 (five) members elected by the Meeting for 4 (four) years' term of office. A member of the Board may continuously serve maximum 2 (two) subsequent full terms of office, i.e. no longer than 8 (eight) years in a row.
- 7.2. Members of the Board shall be elected by ensuring the principle of proper representation of all shareholders' rights in the Board. Given this principle, the candidates to the members of the Board shall be proposed by proposing at least 2 (two) candidates to the members of the Board from the managing staff of the Parent Company, at least 2 (two) candidates to the members of the Board from the managing staff of the Company, and at least 1 (one) candidate to the members of the Board shall be an independent person the independence whereof shall be defined following the criteria laid down in the Code of Management as well as the requirements set forth by other applicable legal acts. Any of the Company's shareholders shall be entitled to propose a candidate to the independent members of the Board. The competence of the members of the Board shall be in line with the main areas supervised by the Board. Where candidates to the members of the Board are proposed, first priority shall be given to the candidate's competence and the need to ensure that the Board comprises all the required competences within the main areas supervised by the Board.
- 7.3. Only a natural person may be elected to serve on the Board. The following persons may not serve as members of the Board:
- 7.3.1. A person holding office in the supervisory body, management body or administration member of an energy company engaged in electricity production and/or supply or natural gas extraction and/or supply or otherwise participating in the management or supervision of these companies;
- 7.3.2. A member of the Supervisory Council of the Parent Company;

- 7.3.3. A person serving as member of the supervisory body, management body or managing employee in the companies controlled by the Company (the Controlled Company<sup>1</sup>) and in the associated companies (the Associated Company<sup>2</sup>);
- 7.3.4. Officials and employees of institutions that regulate the activities of entities operating in the energy services provision area and that have the state energy supervision authority;
- 7.3.5. Other persons who may not serve in this office following the effective legal acts.
- 7.4. To evaluate the suitability of the candidate to be member of the Board for this office, the Meeting shall evaluate the compliance thereof with the requirements set by these Articles of Association and by the applicable legal acts. For this purpose the Meeting must be provided with documents evidencing the candidate's compliance with the set requirements.
- 7.5. The person proposing candidates to members of the Board for the Meeting shall submit written explanations about the qualification of each proposed member to the Board and the suitability thereof to serve as member of the Board in line with the conclusions stipulated by the legal acts and/or other documents to support such compliance.
- 7.6. Each candidate to members of the Board shall provide the Meeting with a written consent to run for a member of the Board and the candidate's declaration of interest specifying all circumstances that could cause a conflict of interests between the candidate and the Company. In case new circumstances emerge that could lead to a conflict of interests between the member of the Board and the Company, the member of the Board shall inform the Company and the Board about such new circumstances without delay.
- 7.7. The members of the Board may have another job or occupy another position compatible with their activities in the Board, including without limitation the managing positions occupied in other legal entities, a job in a state or statutory service, position in the Company and in other legal entities as well as in legal entities where the Company or the Parent Company is participant only with prior notice to the Board of the Company and upon receipt of prior consent of the Board, except for educational, creative and copyright activities, participation in professional associations uniting energy specialists and energy companies or gas transmission operators, public organisations that are related with the satisfaction of exceptionally personal and/or family needs, and work in the Parent Company in respect whereof the above mentioned consent of the Board is not required.
- 7.8. Following the decision of the Meeting, before commencing in office the members and chairman of Board may enter into agreements on their activities in the Board providing for their rights, obligations and responsibility. The standard provisions of these agreements shall be set by the Meeting. By its decision the Meeting may also determine that the members of the Board must be remunerated. In case a member of the Board of the Company is elected to occupy the position of the Director General or is appointed as the Company's branch manager, an employment agreement shall be made with such member relating to this job. All elected members of the Board shall sign the obligation of non-disclosure of the Company's commercial (trade) secrets and confidential information without delay.
- 7.9. The Board or its members shall start and end their work following the terms and procedure provided by the Law on Companies.
- 7.10. The Board shall report to the Meeting.
- 7.11. The competence of the Board shall not differ from that defined by the Law on Companies, except for the additional competence provided by Articles 7.12 – 7.14 hereof.
- 7.12. The additional competence of the Board related to the Company:
  - 7.12.1. The Board shall consider and approve:
    - 7.12.1.1. The strategy of the Company;
    - 7.12.1.2. The activity plan of the Company for minimum 3 (three) years' term and the activity plan implementation report within the periods defined by the Board;

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<sup>1</sup> For the purpose of these Articles of Association the Controlled Company shall mean a legal entity where AB "Amber Grid" holds more than 50% of the shares.

<sup>2</sup> For the purpose of these Articles of Association the Associated Company shall mean a legal entity where AB "Amber Grid" holds 50% or less than 50% of the shares.

- 7.12.1.3. The Company's annual budget and annual activity goals;
  - 7.12.1.4. The procedure for allocating support and charity;
  - 7.12.1.5. The list of essential conditions of transactions (by types of transactions) and the procedure for making transactions under the decision taken by the Board, including the decisions of the Board about the transactions that require approval of the Meeting following Article 7.12.3 of these Articles of Association;
  - 7.12.1.6. The list of information that is considered to be the Company's commercial (trade) secret and confidential information as well as the principles for use (storage) of such information in the Company;
  - 7.12.1.7. The job description of the General Manager, the salary and annual performance goals thereof, as well as other conditions of the employment agreement, shall give incentives and impose sanctions;
  - 7.12.1.8. The common documents of the Company Group (guidelines, policies, codes, etc.) and shall decide on the scope of their application in the Company, other documents regulating the Company's business the list of which shall be set by the Board.
- 7.12.2. The Board shall also:
- 7.12.2.1. Determine the gas transmission prices and the prices of other state regulated services on the basis of the calculations made by the Company as well as the pricing methods thereof where required by the effective legal acts;
  - 7.12.2.2. Take decisions on issuing bonds (except for convertible bonds);
  - 7.12.2.3. Take decisions on establishing of the Company's branches and representative offices and termination of their operation, also about the approval of their regulations and amendments thereto, appointing and recalling of the managers;
  - 7.12.2.4. Take decisions on the Company's participation in the activities of associations or unions of legal entities in any form;
  - 7.12.2.5. Take decisions for the Company to become founder, participant of other legal entities, also decisions on increasing or decreasing the number of shares (stocks, interest) or other change in the rights granted by the shares (stocks, interest), shall approve the essential conditions of the share subscription agreements;
  - 7.12.2.6. Take decisions on transferring the Company's Controlled and/or Associated Companies as a property complex or essential elements thereof, where the book value of the transferred property is lower or equals to 1/20 of the Company's authorised capital;
  - 7.12.2.7. Take decisions on transferring, pledging, changing of the legal status, other restriction or disposal of the facilities owned by the Company that are of special strategic importance to national security and facilities of strategic importance to national security as they are defined by the Law of the Republic of Lithuania on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises Important to Ensuring National Security and by the related legal acts where the value of such transferred property is lower or equals to 1/20 of the Company's authorised capital;
  - 7.12.2.8. Approve standard conditions of the agreements arising out of the direct gas transmission system operator's activity, - agreements on connection to the gas system, agreements on natural gas transmission service, natural gas balancing agreements, - and take decisions on making transactions with deviations from such approved standard conditions of the agreements;
  - 7.12.2.9. Take decisions on the acquisition of goods, services or works for more than EUR 2,000,000 and decisions on the acquisition of goods, services or works from a single supplier for more than EUR 1,000,000, except for the cases where goods listed on the commodities exchange are being purchased for the Company's technologic needs and balancing;
  - 7.12.2.10. Take decisions on the acquisition of goods, services or works from the Controlled and/or Associated Companies for more than EUR 1,000,000, except for the cases where goods listed on the commodities exchange are being purchased for the Company's technologic

needs and balancing, and decisions on the acquisition of goods, services or works from the Parent Company irrespective of the value thereof;

- 7.12.2.11. Take decisions on the investment, transferring of long-term assets with the book value exceeding EUR 2,000,000 (calculated individually for every type of transaction);
  - 7.12.2.12. Take decisions on the rent, pledge or mortgage of long-term assets with the book value exceeding EUR 2,000,000 (calculated for the total amount of transactions);
  - 7.12.2.13. Take decisions on indemnity or guarantee for performance of other persons' obligations amounting to more than EUR 2,000,000;
  - 7.12.2.14. Take decisions on the acquisition or creation of long-term assets for a price higher than EUR 2,000,000;
  - 7.12.2.15. Take decisions on borrowing transactions in the amount higher than EUR 2,000,000 and their essential conditions as well as about lending of money, except for the cases where transactions are made following the procedure approved by the Board;
  - 7.12.2.16. Take decisions on entering into peaceful settlement agreements or discontinuance of a claim (counter-claim, complaint) or equivalent legal proceedings discontinuing a dispute in judicial (arbitrage) disputes where a claim is filed to or by the Company in the amount higher than EUR 1,000,000; also decisions about filing a claim (counter-claim, complaint) to initiate a dispute with the national institution that regulates prices, irrespective of the value;
  - 7.12.2.17. Take decisions on the exemption of contractual penalties and/or other contractual sanctions to the Company's contracting parties where the amount of such penalties and/or other contractual sanctions is higher than EUR 100,000;
  - 7.12.2.18. Take decisions on the commencement of new type of activities or termination of a particular operation in case no funds are provided for the operation of such activity in the Company's approved annual budget or the decision to terminate a particular operated activity is made for other than the mandatory requirements of the legal acts, fulfilment of the binding decision of the court or arbitration;
  - 7.12.2.19. Take decisions on entering into agreements on gas transportation among third parties other than the EU Member States, except for the cases where such services are provided under the standard conditions (agreement on natural gas transmission service, agreement on natural gas balancing, orders of capacities and other transactions on regulated activities) approved (agreed upon) by a competent authorised institution;
  - 7.12.2.20. Take decisions on making other transactions (that are not mentioned in separate Articles of these Articles of Association) amounting to more than EUR 1,000,000 in case no funds are provided for them in the Company's annual budget;
  - 7.12.2.21. Elect and recall the Company's internal auditor, define the main working conditions thereof, approve the internal audit reports;
  - 7.12.2.22. Take decisions on the issues assigned to the Board's competence by other legal acts, these Articles of Association, decisions of the Meeting and of the Board;
  - 7.12.2.23. Agreements concluded with the Company's shareholder(-s) holding more than 1 per cent of the Company's shares, except for the agreements related to the employment relations and work at the Company, also agreements under standard conditions (agreements on connection to the gas system, agreements on natural gas transmission service, natural gas balancing agreements, orders of capacities, and other transactions on regulated activities) approved (agreed upon) by competent authorised institutions. All agreements and transactions concluded between the Company and the shareholders shall be made at arm's length under such terms as if they were made between non-related persons;
  - 7.12.2.24. The Board shall have the right to consider other issues applied for to the Board by at least one member of the Board.
- 7.12.3. The Board shall take decisions that require approval by the Meeting:
- 7.12.3.1. On transfer, pledge or other restrictions to the shares (stocks, interests) held by the Company or the rights granted thereby or the rights of the participant of legal entity;

- 7.12.3.2. On transfer of the Company's Controlled and/or Associated Companies as a property complex or essential elements thereof, where the book value of the transferred property is higher than 1/20 of the Company's authorised capital;
  - 7.12.3.3. On transfer, pledge, change of the legal status, other restriction or disposal of the facilities owned by the Company that are of special strategic importance to national security and facilities of strategic importance to national security as they are defined by the Law of the Republic of Lithuania on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises Important to Ensuring National Security and by the related legal acts where the value of the specified facilities is higher than 1/20 of the Company's authorised capital;
  - 7.12.3.4. On other restriction of the shares or the rights granted by such shares in the directly or indirectly controlled companies that possess, develop, operate, use or dispose on any basis the facilities specified in Article 7.12.3.3 hereof, increasing, decreasing of the authorised capital of such companies or other actions that can change such companies' authorised capital structure (e.g., issuing of convertible bonds) and decisions on the reorganisation, spin-off, restructuring, liquidation, reforming of the companies specified herein or other actions changing the legal status of the companies specified herein;
  - 7.12.3.5. On investment, transferring, rent (calculated individually for every type of transaction), pledge or mortgage (calculated for the total amount of transactions) of the Company's long-term assets with the book value exceeding 1/5 of the Company's authorised capital;
  - 7.12.3.6. On indemnity or guarantee for performance of other persons' obligations amounting to more than 1/5 of the Company's authorised capital;
  - 7.12.3.7. On the acquisition of long-term assets at a price exceeding 1/5 of the Company's authorised capital in course of implementation of projects of particular national importance and/or economic projects important to the state as they are defined by the effective legal acts.
- 7.13. By taking the decisions on making transactions specified in Articles 7.12.2 and 7.12.3, the Board shall approve the essential conditions of these transactions and authorise the Director General or another person authorised thereby to agree upon other (non-essential) conditions required to make respective transactions and other agreements or documents on behalf of the Company.
- 7.14. Additional functions of the Board relating to the Controlled Companies and Associated Companies:
- 7.14.1. The Board shall take decisions on exercising the legal entity's rights and obligations in the Controlled Companies and Associated Companies in relation to voting by the Company in general meetings of shareholders of such legal entities;
  - 7.14.2. The Board shall take decisions on amendments to the Articles of Association of the Controlled Companies and Associated Companies;
  - 7.14.3. The Board shall approve as to which common documents, principles, guidelines, policies and procedures of the Company Group are applicable in the operation of the Controlled Companies and shall define the scope of their application;
  - 7.14.4. The Board may define the operation and management guidelines, regulations, annual financial plans, annual return-on-assets-ratio, maximum debt liabilities, and other business parameters for the Controlled Companies.
- 7.15. The Board shall perform its performance evaluation and the analysis of needs at least once per year in order to identify the members' competences required to achieve the goals of the Company and of the Company Group, and the Board shall notify the Meeting and the Company of the results of its performance evaluation and the analysis of needs.
- 7.16. The Board shall take its decisions in the Board meetings normally held at least once per month. The procedure for convening the Board meetings and voting therein, the Board's other activity issues of procedural nature shall be regulated as provided by the Civil Code and the Law on Companies as well as the related legal acts and shall be elaborated by the Board's rules of procedure approved by the Board.
- 7.17. The Board shall elect the chairman of the Board from among its members. The chairman of the Board shall serve a continuous term of office of maximum 4 (four) subsequent years. The chairman of the

Board may not be elected from among the Company's representatives elected to the Board of the Company.

- 7.18. The Board members unable to directly attend the Board meeting may vote in advance in writing or by means of electronic communication and/or through teleconference provided that the security of the transmitted information is ensured and the voting person can be identified. The Board members who voted in advance in writing or by means of electronic communication and/or through teleconference shall be deemed to be present at the Board meeting.
- 7.19. The Board member shall not be entitled to refuse to vote or to abstain from voting, except for the cases provided by the laws and by these Articles of Association.
- 7.20. The Board of the Company may adopt decisions and its meeting shall be deemed to have taken place when the meeting is attended by 4 (four) or more members of the Board. During the voting each member shall have one vote. The decision of the Board shall be deemed adopted when more members of the Board voted "for" than those who voted "against". In case the votes "for" and "against" are distributed equally, the vote of the chairman of the Board shall be decisive.
- 7.21. If a conflict of interests arises between the Board member and the Company when considering issues at the Board, such Board member shall notify the Board without delay and abstain in the voting about respective issues that raised a conflict of interests between the Board member and the Company.
- 7.22. The Company shall ensure appropriate working conditions at the Board for the Board and the Board members, and provide the technical and organisational means required for such work. The Director General shall elect the secretary of the Board meetings, i.e. the Company's employee performing supporting functions for the Board meetings.
- 7.23. Other issues related to the formation of the Board and decision making by the Board shall not differ from their regulation provided for in the Law on Companies.

## **8. DIRECTOR GENERAL**

- 8.1. The Director General is a single-person management body of the Company appointed by the Board of the Company.
- 8.2. Only a natural person shall be appointed as the Director General. The following persons shall not be appointed as the Director General:
  - 8.2.1. a person acting as a supervisory body, management body or executive officer in the energy enterprise which is engaged in activity of electricity production and/or supply or natural gas production and/or supply;
  - 8.2.2. a person who shall not qualify for this office pursuant to grounds established by other regulations.
- 8.3. In assessment of suitability of the candidate for the position of the Director General the Board shall consider his/her compliance with requirements specified by these Articles of Association and regulations, and therefore may require that the candidate submitted documents supporting this compliance and/or contact competent authorities for obtaining necessary information about the candidate.
- 8.4. The candidate to the position of the Director General shall submit a written consent to run for the position of the Director General and a declaration of interests of the candidate containing all the circumstances which are likely to cause conflict of interests of the candidate and the Company to the Board. Upon occurrence of new circumstances due to which a conflict of interests of the Director General and the Company is likely to arise, the Director General shall inform the Board in writing about such new circumstances without any delay.
- 8.5. The Director General may hold other position or have another job, including position in the Company or other legal entities a participant whereof is the Company, only with a prior written consent of the Board, except for cases of pedagogical, creative or educational activities, participation in professional associations joining energy professionals and energy companies or gas transmission operators, public organizations participation in which is exclusively related to satisfaction of personal and/or family needs for which such consent is not required.
- 8.6. The Director General shall assume the office as of the day of election unless the agreement concluded with him/her provides for otherwise. The agreement with the Director General shall be



- signed on behalf of the Company by the Chairman of the Board or other authorized member of the Board.
- 8.7. Prior to assuming the office the Director General shall sign a commitment not to disclose commercial (trade) secrets and confidential information of the Company.
  - 8.8. Rules of procedure of the Director General shall be established by a job description of the Director General as approved by the Board.
  - 8.9. The Director General shall report to the Board of the Company.
  - 8.10. In addition to competences related to the Company, the Director General shall:
    - 8.10.1. organize and control day-to-day operation of the Company, take decisions regarding activity of the Company;
    - 8.10.2. ensure implementation of the Company's strategy, decisions of the Meeting and the Board in the Company;
    - 8.10.3. conclude transactions on behalf of the Company following the procedure established by the Board. Director General may conclude transactions subject to decision of the Board or the Board and the Meeting following these Articles of Association only with a prior decision of a particular body;
    - 8.10.4. submit to the Board the draft strategy of the Company, draft activity plan, draft annual budget and annual operational objectives and other draft documents of the Company subject to consideration and approval of the Board;
    - 8.10.5. submit proposals to the Board regarding adjustments of the annual budget of the Company in the course of financial year (if necessary);
    - 8.10.6. ensure allocation of resources and means necessary for performance of activities of the Company's bodies;
    - 8.10.7. issue procurement in cases prescribed by legislation;
    - 8.10.8. ensure that all documents of the Company were submitted to the Company's auditor for an inspection specified by the agreement with the auditor or the audit company;
    - 8.10.9. control, coordinate and supervise at the Company level the course and implementation of projects of exclusive national importance and/or economic projects significant to the state as they are defined by effective regulations;
    - 8.10.10. prepare a report on implementation of the activity plan of the Company and submit it to the Company's Board according to periodicity established by the Board;
    - 8.10.11. pursuant to procedure established by regulations, ensure protection of the Company's assets and rights and legitimate interests and safe, suitable working conditions, protect the Company's trade secrets and confidential information. The Director General shall take decisions regarding classification, tagging, term, use of the Company's commercial (trade) secrets and confidential information and establishment of protection rules for such information in the Company;
    - 8.10.12. submit quarterly activity and financial reports and financial performance forecast of the Company to the Board, documents required for meetings of the Board according to periodicity established by the Board;
    - 8.10.13. perform other functions within the competence of the head established by Law on Companies and these Articles of Association.
  - 8.11. The Director General, in accordance with decisions adopted by the Board, shall vote in general shareholders' meetings of the Controlled and Associated companies, as it has been established by Article 7.14.1 of the Article of Association. Moreover, according to granted competence, the Director General shall ensure adequate representation of the Company's rights and legitimate interests in the Controlled and Associated Companies.
  - 8.12. The Director General shall have a right to resign by submitting a written notification of resignation to the Company's Board. The Board, pursuant to the procedure established by laws, shall take a decision to revoke the Director General.

## **9. PROCEDURE FOR ANNOUNCEMENT OF THE COMPANY'S NOTIFICATIONS**

- 9.1. In cases where the Company's notifications shall be announced publicly pursuant to laws applicable to all legal entities, other regulations and/or these Article of Association, such notifications shall be announced in the electronic publication for public notifications issued by the manager of Register of Legal Entities according to procedure established by Government. Unless laws of the Republic of Lithuania and/or these Articles of Association determine otherwise, other notifications may be submitted in person, by mail or electronic means, by immediately sending the originals to the addressee by a registered mail or serving them in person against the signature. This provision shall not apply to the notifications announced by the Company as an operator of the transmission system following specific energy regulatory requirements for activity of the system operator and on the official website of the stock exchange where the Company's shares are traded.
- 9.2. The Company's head or his duly authorized person shall be liable for sending and serving notifications in a timely manner.

## **10. PROCEDURE FOR SUBMISSION OF THE COMPANY'S DOCUMENTS AND OTHER INFORMATION TO THE SHAREHOLDERS**

- 10.1. At a written request of the shareholder, the Company shall provide the shareholder with a possibility to examine the following documents and/or submit copies thereof within 7 (seven) calendar days as of the date of receipt of the request: the Company's Articles of Association, annual and interim financial statements, the Company's annual and interim reports, the auditor's (audit company's) report and audit reports, minutes of the Meetings or other documents executing decisions of the Meeting, lists of shareholders, lists of the Board members, other documents of the Company which shall be made publicly available pursuant to laws, as well as minutes of the Board meetings or other documents executing decisions of the bodies of the Company if these documents are not related to the Company's commercial (trade) secret or confidential information.
- 10.2. The Shareholder or a group of shareholders, owning or controlling 1/2 (one half) of shares or more and having submitted to the Company a written commitment in the form specified by the Company not to disclose a commercial (trade) secret and confidential information, as well as any member of the Board shall be entitled to familiarize with all documents of the Company and its Controlled and Associated companies and all information of the Company and its Controlled and Associated companies to the extent that the Company disposes or is entitled to dispose such information of the Associated companies (also, including information about draft decisions of the Company's management bodies which have not been adopted yet, and information about planned transactions and investments), which upon request of the person receiving information shall be organized according to the reasonable criteria specified by the person receiving this information. If the Company does not have documents or information of the Company's Controlled and/or Associated companies required by persons specified by this Article, Director General shall immediately take actions to obtain such documents and information exercising rights granted by owned shares of the Controlled and/or Associated companies. Information and documents to be submitted pursuant to this Article of the Articles of Association shall be submitted immediately, however, not later than within 5 (five) business days as of the date of receipt of a particular request. Subjects specified by this Article of the Articles of Association shall have a right to require, whereas the Company on its behalf shall ensure, that particular information and documents were submitted periodically without a separate request of a particular subject.
- 10.3. All information and documents specified by Articles 10.1 and 10.2 of these Articles of Association shall be submitted to the shareholders and the Board members free of charge.

## **11. FINAL PROVISIONS**

- 11.1. In case of discrepancies between these Articles of Association and imperative regulations governing legal status of companies and/or activities, the imperative provisions of regulations shall prevail.
- 11.2. Procedure for amendment of the Company's Articles of Association shall not differ from the procedure for amendment of articles of association established by Law on Companies.
- 11.3. The Company's Articles of Association shall come into force as of the date of registration with the Register of Legal Entities of the Republic of Lithuania.

*DRAFT*

These Articles of Association were signed on [ ] April 2016.

Person authorized by the General Meeting of Shareholders:

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