

LITGRID AB
ARTICLES OF ASSOCIATION

1. GENERAL PROVISIONS

- 1.1. LITGRID AB (hereinafter – the Company) shall be a private legal entity of limited civil liability the authorised capital whereof shall be divided into shares.
- 1.2. The Company shall be liable for its obligations to the extent of its assets held by ownership right. The Company shall not be liable for its shareholders' obligations and its shareholders shall not be liable for the Company's obligations. The shareholders shall have no property obligations to the company except the obligation to pay the issue price for all the shares subscribed for according to the established procedure.
- 1.3. Legal form of the Company shall be a joint stock company.
- 1.4. The financial year of the Company shall be a calendar year.
- 1.5. The Company has been established for an unlimited term of duration.
- 1.6. The Company, together with the holding company UAB EPSO-G (hereinafter – the Holding Company) and other legal entities directly or indirectly controlled by the Holding Company, form a group of companies (hereinafter – the Group).
- 1.7. The Company shall operate in accordance with laws, European Union and international legal acts, as far as applicable, other legal acts applicable in the Republic of Lithuania, the Corporate Management Guidelines for the State Controlled Energy Enterprises with all subsequent amendments and supplements as approved by the Ministry of Energy of the Republic of Lithuania, Resolutions of the Government of the Republic of Lithuania on the management of enterprises managed or controlled by the State (as far as applicable to the Group's companies), the Governance Code of Companies listed on NASDAQ Vilnius (hereinafter – the Governance Code) to the extent these Articles of Association do not provide otherwise, as well as follow these Articles of Association (hereinafter – the Articles of Association), and corporate internal documents approved by the Group and the Company under the established procedure.

2. OBJECTIVES AND PURPOSE OF BUSINESS ACTIVITIES OF THE COMPANY

- 2.1. The objectives of the Company shall be to ensure, within the scope of its competence, the stability and reliability of the national electric power system in the territory of the Republic of Lithuania, to create equal and non-discriminating conditions for the use of the transmission grids and the development of competitive electricity market, to operate the electricity transmission system safely and efficiently, to manage the assets and appurtenances of the electric power transmission system, to control the companies operating and supervising the electric power system and the companies owning, developing or managing intersystem electricity links with other countries on any other grounds, and to ensure rational use of the Company's assets and other resources.
- 2.2. The long-term (strategic) objectives of the Company in the pursuit of national energy goals within the area of its competence shall be as follows:
 - 2.2.1. implement, within the scope of functions of a transmission system operator, technical measures necessary for the connection of the Lithuanian electric power system with the grids of the continental Europe for synchronous operations;
 - 2.2.2. ensure and develop integration into the electricity markets of the continental Europe and Nordic countries.
- 2.3. Along with these objectives, in carrying out its business activities the Company shall also seek sustainable growth in the value of the Company's business and long-term benefit for the shareholders.
- 2.4. Core business activities of the Company shall be the activities of the electricity transmission system operator and other activities of the electricity sector to the extent they do not conflict with the activities of the electricity transmission system operator. The Company shall have the right to engage in other

activities provided that the transmission of electric power remains its core business activity. The Company may engage in activities that are subject to licensing or permits only upon issuance of appropriate licenses or permits.

3. AUTHORISED CAPITAL. NUMBER OF SHARES BY CLASS, THEIR PAR VALUE AND RIGHTS CARRIED BY SHARES

- 3.1. The authorised capital of the Company shall be equal to EUR 146 256 100.20 (one hundred forty six million two hundred fifty six thousand one hundred euros and twenty cents).
- 3.2. The authorised capital of the Company shall be divided into 504 331 380 (five hundred four million three hundred thirty one thousand three hundred eighty) ordinary registered shares (hereinafter one ordinary registered share of the Company shall be referred to as the Share).
- 3.3. The par value of one Share shall be equal to EUR 0.29 (twenty eight euros, 96 cents).
- 3.4. All shares shall be ordinary uncertificated shares. They shall be recorded by entries in personal security accounts of shareholders that shall be managed by the manager of accounts with whom a contract for the management of Share accounts shall be concluded.

4. SHAREHOLDERS AND SHAREHOLDERS RIGHTS

- 4.1. The shareholders of the Company shall have the rights and obligations provided for in the laws, other legal acts and in these Articles of Association.
- 4.2. All corporate bodies of the Company shall act so that appropriate conditions for the shareholders of the Company are created to exercise their rights.

5. MANAGEMENT BODIES AND MANAGEMENT OF THE COMPANY

- 5.1. The Company shall have the following bodies:
 - (i) the general meeting of shareholders (hereinafter – the Meeting);
 - (ii) the board (hereinafter – the Board);
 - (iii) the head of the Company – the General Manager of the Company (hereinafter – the General Manager).
- 5.2. Whereas the Company belongs to the Group and the Supervisory Council of the Holding Company carries out the supervision over functioning of the internal control and risk management on the Group level under the procedure set out in the Articles of Association of the Holding Company, the Meeting and the Board of the Company may take into account the proposals and feedback made by the Supervisory Council of the Holding Company on the issues within the powers of the relevant management body of the Company. The committee of auditors formed in the Holding Company shall function as the audit committee of the whole Group and shall, *inter alia*, carry out the functions of the audit committee of the Company.
- 5.3. Management bodies of the Company shall adopt decisions independently and within their competence assigned to them by the legal acts in force in the Republic of Lithuania and by these Articles of Association. Management bodies of the Company shall be fully liable for their decisions. Management bodies of the Company shall act for the benefit of the Company and its shareholders when adopting decisions.
- 5.4. Management bodies of the Company shall, following the requirements of legal acts in force in the Republic of Lithuania and taking into account the provisions of other documents referred to in paragraph 1.7, pursue the business objectives of the Company and the shared business objectives of the Group, act with social responsibility, *inter alia*, taking into consideration the main environmental, social, financial and ethical principles established in international standards.
- 5.5. Management bodies of the Company shall also follow in their activities the guiding corporate governance principles of the Group – transparency in business activities of the Group, separation between State ownership and regulatory functions, clarity and sustainability in the objectives of the Group, proper ensuring of shareholders' rights.
- 5.6. Management bodies of the Company shall, when making decisions and acting within the powers conferred to them by legal acts and these Articles of Association, also take into consideration other corporate governance principles of the Group – compliance with legal acts and best practice

standards, performance effectiveness, sustainability and business competitiveness of the Group, responsibility of managing and supervisory bodies of the Group, and proper reporting to the shareholders.

6. THE GENERAL MEETING OF SHAREHOLDERS

- 6.1. The procedure for convening the Meeting, decision-making and the powers of the Meeting shall not differ from the procedure for convening the general meeting of shareholders, decision-making and its powers as set out in the Law on Companies of the Republic of Lithuania (hereinafter – the Law on Companies), except additional powers of the Meeting as provided for in Article 6.2 hereof.
- 6.2. The Meeting shall also adopt resolutions on (additional powers of the Meeting):
 - 6.2.1. approval of the decisions of the Board of the Company provided for in Article 7.12.3 hereof. When approving the decisions of the Board concerning specific transactions, the Meeting shall, *inter alia*, also approve the essential terms and conditions of such transactions as provided for in Article 7.13 hereof;
 - 6.2.2. appointment of the Board members of the Company, the amount of the annual budget for remuneration of the Board members, maximum monthly remuneration amounts for the chairperson and members of the Board, entry into agreements with the Board members of the Company concerning their activities on the Board, standard terms and conditions of such agreements, including a specific hourly rate for their work in the Board, and appointment of a person authorised to sign such agreements on behalf of the Company.

7. THE BOARD OF THE COMPANY

- 7.1. The Board shall be a collegiate management body of the Company, consisting of 5 (five) members elected by the Meeting for the term of 4 (four) years. A member of the Board may sit on the Board not longer than 2 (two) full cadencies, i.e. not longer than 8 (eight) consecutive years.
- 7.2. When electing Board members, the principle of proper representation of the rights of all shareholders in the Board shall be ensured. Following this principle, it shall be sought that, when nominating candidates to the Board members, 2 (two) candidates to the Board members shall be nominated from the managing employees of the Holding Company, 2 (two) candidates to the Board members – from the managing employees of the Company and at least 1 (one) Board members shall be an independent person as verified following the criteria set out in the Governance Code and in the requirements of other applicable legal acts. Any shareholder and/or a group of shareholders of the Company shall have the right to nominate a candidate to independent Board members. The competence of the Board members shall match the main areas within the responsibility of the Board. When nominating candidates to the Board members, priority shall be, first of all, attributed to the competence of the candidate and to the necessity to ensure all the competencies necessary in the Board according to the main areas of its responsibility.
- 7.3. Only a natural person may be elected to serve on the Board. The following persons may not serve as Board members:
 - 7.3.1. a person holding a position of a supervisory body, management body or member of the administration in an energy company engaged in the production and/or supply of electricity and/or the extraction and/or supply of natural gas, or a person who is otherwise involved in the management or supervision of such companies;
 - 7.3.2. members of the Supervisory Council of the Holding Company;
 - 7.3.3. a person holding a position of a supervisory body, management body or a senior executive in the companies controlled by the Company (hereinafter – the Controlled Company¹) and in associated companies (hereinafter – the Associated Company²);
 - 7.3.4. civil servants and employees of the institutions regulating the activities of the entities operating in the area of energy services and carrying out State supervision of the energy sector;

¹ Within the meaning of these Articles of Association, 'controlled company' shall be understood as a legal entity where LITGRID AB owns more than 50 per cent of the shares by ownership right.

² Within the meaning of these Articles of Association, 'associated company' shall be understood as a legal entity where LITGRID AB owns less than 50 per cent or 50 per cent of the shares by ownership right.

- 7.3.5. other persons who are not entitled to occupy such position under effective legal acts.
- 7.4. When assessing the suitability of a candidate to the Board members for this position, the Meeting shall assess his/her conformity to the requirements set out in these Articles of Association and in the applicable legal acts. For this purpose, documents evidencing the candidate's compliance with the set requirements shall be submitted to the Meeting.
- 7.5. When nominations of Board members are made to the Meeting, the person who nominates a candidate shall submit written explanations to the Meeting about qualifications and suitability of each candidate to the Board members along with conclusions provided for under legal acts and/or other documents evidencing such conformity.
- 7.6. Each candidate to the Board members shall submit to the Meeting a written consent to stand as candidate to the Board members and a declaration of interests of the candidate indicating all the circumstances which can lead to a conflict of interests between the candidate and the Company. In case of any new circumstances likely to lead to a conflict of interests of the Board member and the Company, the Board member shall immediately communicate a written notice of such new circumstances to the Company and to the Board.
- 7.7. Board Members may have another job or occupy another position compatible with their activities in the Board, including but not limited to managerial positions in other legal entities, employment in the public service or the statutory service, positions in the Company and other legal entities, including the legal entities where the Company or the Holding Company participates, only subject to giving a prior notice to the Board of the Company and subject to obtaining a prior consent of the Board, except for pedagogical, creative and author's activities, participation in professional associations of energy specialists and energy companies or electricity transmission operators, public organisations related exclusively to personal and/or family needs, and work in the Holding Company, for which such consent shall not be required.
- 7.8. Agreements with the members and the chairperson of the Board on their activities in the Board and specifying their rights, obligations and responsibility may be concluded by the resolution of the Meeting prior to the start of their work therein. The terms and conditions of such agreements shall be determined by the Meeting. The Meeting may also decide by its resolution that remuneration shall be paid to the Board members. If a Board member is elected to the position of the General Manager or is appointed manager of a division of the Company, an employment contract shall be concluded for work in such position. All the elected Board members shall promptly sign commitments of non-disclosure of trade/industrial secrets and confidential information of the Company.
- 7.9. The Board or its members shall start and cease their activities under the procedure and within the time limits provided for in 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 specified in the Law on Companies, except the additional powers set out in paragraphs 7.12–7.14 of these Articles of Association.
- 7.12. Additional powers of the Board in relation to the Company:
- 7.12.1. The Board shall consider and approve:
- 7.12.1.1. the operating strategy of the Company;
- 7.12.1.2. the business plan of the Company for the period of at least 3 (three) years and the business plan implementation report for the period established by the Board;
- 7.12.1.3. the 10 (ten) year plan on the development of electricity transmission networks of the Company;
- 7.12.1.4. the annual budget and the business objectives of the Company;
- 7.12.1.5. the procedure for granting support and charity;
- 7.12.1.6. the list of essential terms and conditions of contracts (by contract types) and the procedure for entering into contracts requiring a decision of the Board, including Board decisions on contracts requiring an approval of the Meeting under paragraph 7.12.3 hereof;
- 7.12.1.7. the list of information that shall be considered a trade (industrial) secret and confidential information of the Company and the principles of use/storage of such information in the Company;

- 7.12.1.8. the job description of the General Manager, shall determine his/her salary, annual performance objectives, other terms and conditions of the employment contract, grant incentives and impose penalties;
- 7.12.1.9. corporate documents of the Group (guidelines, policies, codes, etc.) and decide on the scope of their application in the Company, other documents regulating the Company's activities the list whereof shall be established by the Board.
- 7.12.2. The Board shall also:
 - 7.12.2.1. set the prices for the transmission of electricity and other state-regulated services and the procedure of their application on the basis of calculations made by the Company, when required by effective legal acts;
 - 7.12.2.2. adopt decisions to issue bonds (except convertible debentures);
 - 7.12.2.3. adopt decisions on the establishment and winding up of branches and representatives offices of the Company as well as on the approval and amendment of their regulations, the appointment or revocation of their managers;
 - 7.12.2.4. adopt decisions on the Company's participation in the activities of associations or unions of legal entities of any form;
 - 7.12.2.5. adopt decisions for the Company to become an incorporator or a member of other legal entities, decisions on the increase or reduction of the number of shares (stakes, units) or any other change of the rights carried by shares (stakes, units), approve the main terms and conditions of share subscription agreements;
 - 7.12.2.6. adopt decisions on the transfer of the companies controlled by or associated with the Company, as a complex of assets or a substantial part thereof, if the book value of the assets transferred is below or equal to 1/50 of the authorised capital of the Company;
 - 7.12.2.7. adopt decisions on the transfer, mortgage/pledge, change of the legal status, any other encumbrance or disposal of the facilities of special strategic importance to national security held by the Company, as they are defined in the Law on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises of Importance to Ensuring National Security of the Republic of Lithuania and in associated legal acts, if the book value of the assets transferred is below or equal to 1/50 of the authorised capital of the Company;
 - 7.12.2.8. approve standard terms and conditions stemming from the direct activities of the electricity transmission system operator (contracts on connection to the electricity transmission system, purchase-sale of regulation electricity, provision of the transmission service, purchase-sale of balancing electricity) and adopt decisions on the entry into contracts deviating from approved standard contractual terms and conditions;
 - 7.12.2.9. adopt decisions to acquire goods, services or works for the amount exceeding EUR 3 000 000 and decisions to acquire goods, services or works from the single supplier in excess of the amount of EUR 1 000 000, except when goods listed on the commodity exchange are purchased for the technological needs of the Company;
 - 7.12.2.10. adopt decisions to acquire goods, services or works from the Holding Company irrespective of their value;
 - 7.12.2.11. adopt decisions on the investment and/or disposal of non-current assets the book value whereof exceeds EUR 3 000 000 (calculated individually for each transaction type);
 - 7.12.2.12. adopt decisions on the lease, pledge or mortgage of non-current assets the book value whereof exceeds EUR 3 000 000 (calculated as total amount of transactions);
 - 7.12.2.13. adopt decisions on offering of surety or guarantee for the discharge of obligations of other persons the amount whereof exceeds EUR 3 000 000;
 - 7.12.2.14. adopt decisions on the acquisition or creation of non-current assets for the price exceeding EUR 3 000 000;
 - 7.12.2.15. adopt decisions on the transactions for borrowing monetary funds the amount whereof exceeds EUR 3 000 000 and on the essential terms and conditions thereof, also on the lending of monetary funds, except when such transactions are performed under the procedure approved by the Board;

- 7.12.2.16. adopt decisions on entry into peaceful settlement agreements or withdraw of claims (counter-claims, complaints) or on equivalent procedural documents whereby the dispute is actually completed in judicial/arbitration disputes where claims are lodged against or by the Company in the amount above EUR 1 000 000; as well as decisions on lodging claims (counter-claims, complaints) initiating a dispute with the national price regulator, irrespective of their value;
- 7.12.2.17. adopt decisions on non-application of contractual penalties and/or other contractual sanctions to the Company's contracting parties, if the amount of such penalties and/or other contractual sanctions is above EUR 100 000;
- 7.12.2.18. adopt decisions to engage in activities of new nature or wind up specific activities performed, if no funds are provided for such activities in the approved annual budget of the Company or if a decision to terminate specific activities is made on other grounds than compulsory statutory requirements or enforceable decisions of the court or arbitration tribunal;
- 7.12.2.19. adopt decisions to enter into any transactions (not covered in individual paragraphs of these Articles of Association), the amount whereof exceeds EUR 1 000 000, if no funds have been provided for them in the annual budget of the Company;
- 7.12.2.20. establish the procedure for signing contracts of the Company where under the contracts specified by the Board shall be signed by two persons;
- 7.12.2.21. elect and recall the internal auditor of the Company, set the principal terms and conditions of his/her work, approve internal audit reports;
- 7.12.2.22. adopt decisions on other issues assigned to the competence of the Board by other legal acts, these Articles of Association, resolutions of the Meeting, and decisions of the Board;
- 7.12.2.23. adopt decisions to enter into agreements to be made with the Company's shareholder(s) who hold(s) more than 5 (five) per cent of the shares of the Company, except the agreements related to employment relations and work in the Company. All agreements and contracts made between the Company and its shareholders shall be made under the market conditions as if made between unassociated persons;
- 7.12.2.24. The Board shall also have the right to consider other issues addressed to the Board by at least one member of the Board.
- 7.12.3. The Board shall adopt the following decisions requiring an approval of the Meeting:
 - 7.12.3.1. on the transfer, pledge or other encumbrance of the shares or the rights carried by the shares (stakes, units) held by the Company or any other interests in a legal entity;
 - 7.12.3.2. on the transfer of the companies controlled by and/or associated with the Company, as a complex of assets or a substantial part thereof, if the book value of the assets transferred is above 1/50 of the authorised capital of the Company;
 - 7.12.3.3. on the transfer, mortgage/pledge, change of the legal status, any other encumbrance or disposal of the facilities of special strategic importance to national security held by the Company, as they are defined in the Law on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises of Importance to Ensuring National Security of the Republic of Lithuania and in associated legal acts, if the value of the above-referred assets is above 1/50 of the authorised capital of the Company;
 - 7.12.3.4. on the transfer, other disposal or encumbrance of the shares and the rights carried by the shares in directly or indirectly controlled companies, which own, develop, manage, use or have in their possession under any other grounds the assets referred to in paragraph 7.12.3.3 hereof, on the increase, reduction of the authorised capital of such companies or on other actions capable of changing the capital structure of such companies (e.g., issuance of convertible debentures) and on the reorganisation, spin-off, restructuring, liquidation, rearrangement of the companies referred to in this paragraph, or on other actions changing the legal status of the companies referred to herein;
 - 7.12.3.5. on the investment, disposal, lease (calculated individually for every type of transaction), pledge or mortgage (calculated as total amount of transactions) of the non-current

- assets of the Company the book value whereof exceeds 1/10 of the authorised capital of the Company;
- 7.12.3.6. on offering of surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/10 of the authorised capital of the Company;
- 7.12.3.7. on the acquisition of non-current assets the price whereof exceeds 1/10 of the authorised capital of the Company in the implementation of projects of special national significance and/or important to the State, as they are defined in the effective legal acts.
- 7.13. When adopting decisions on the entry into transactions specified in Article 7.12.2 and Article 7.12.3, the Board shall approve the material terms and conditions of such transactions and shall authorise the General Manager or another authorised person to coordinate other (non-material) terms and conditions of such transactions by entering into relevant transactions and concluding other agreements or documents on behalf of the Company.
- 7.14. The Board shall perform the following additional functions in relation to Controlled Companies and Associated Companies:
- 7.14.1. The Board shall decide on exercising of the rights and obligations of the legal entity in Controlled and Associated Companies and on the voting of the Company in general meetings of shareholders of such legal entities;
- 7.14.2. The Board shall decide on the amendment of articles of association of Controlled and Associated Companies;
- 7.14.3. The Board shall approve which joint documents, principles, guidelines, procedures and policies of the Group shall be applicable in the operations of Controlled Companies, and shall set the scope thereof;
- 7.14.4. The Board may set the operational and managerial guidelines, rules, annual financial plans, the annual rate of return on assets, the maximum debt obligations and other parameters of operations of Controlled Companies.
- 7.15. The Board shall assess its operations and analyse its needs at least once a year in order to establish which competence of its members is required to achieve the goals of the Company and the Group, and shall communicate the results of the assessment of operations and the analysis of its needs to the Meeting and the Company.
- 7.16. The Board shall adopt its decisions at the meetings of the Board that shall be usually convened at least once a month. The regulation of the convocation of Board meetings and the voting procedure as well as other procedural issues of operations of the Board shall be as provided by the Civil Code, the Law on Companies and other laws and regulations, and shall be defined in detail in the rules of procedure of the Board, which shall be approved by the Board.
- 7.17. The Board shall elect a chairperson from among its members. The continuous term of office of the chairperson of the Board shall be the maximum of 4 (four) consecutive years. The chairperson of the Board cannot be elected from among the representatives of the Company elected to the Board of the Company.
- 7.18. Members of the Board who cannot directly attend the meeting of the Board may vote in writing in advance or vote by electronic and/or teleconferencing means of communication, provided the security of the transmitted information is ensured and it is possible to identify the person who is voting. Members of the Board voting in writing in advance or voting by electronic and/or teleconferencing means of communication shall be considered as attending the meeting of the Board.
- 7.19. A member of the Board can neither refuse to vote nor abstain, except in cases specified by laws and these Articles of Association.
- 7.20. The Board of the Company shall be entitled to adopt decisions and its meeting shall be considered to have been held if it is attended by at least 4 (four) members of the Board. During voting each member shall have one vote. A decision of the Board shall be considered adopted if more votes of members of the Board are cast in favour of the decision than against it. In case of a tie vote, the Chairman of the Board shall have the casting vote.
- 7.21. Where the consideration of issues by the Board leads to the conflict of interests of a member of the Board and the Company, such member of the Board must promptly inform the Board and withdraw from voting on relevant issues causing the conflict of interests of a member of the Board and the Company.

- 7.22. The Company must ensure appropriate working conditions for the Board and members of the Board, and to provide technical and organisational equipment required for operations. The General Manager must elect the secretary of the meetings of the Board who is an employee of the Company and provides services to the meetings of the Board.
- 7.23. Other issues related to the constitution and decision-making of the Board shall be within the regulation provided by the Law on Companies.

8. GENERAL MANAGER

- 8.1. The General Manager shall be a single-person management body of the Company appointed by the Board.
- 8.2. The General Manager shall be a natural person. The following persons shall not be allowed to act as General Manager:
- 8.2.1. a person holding a position of a supervisory body, management body or a senior executive in an energy company engaged in the production and/or supply of electricity and/or the extraction and/or supply of natural gas;
- 8.2.2. a person who under other legal acts is not entitled to serve in this office.
- 8.3. The Board, when assessing the suitability of a candidate for the position of General Manager, shall assess his/her conformity to the requirements set out in these Articles of Association and in other legal acts and may request the candidate to provide the documents supporting such conformity and/or contact the relevant authorities for the information necessary about the candidate.
- 8.4. A candidate to the position of General Manager shall submit to the Board a written consent to stand as candidate to General Manager and a declaration of interests of the candidate indicating all the circumstances which can lead to a conflict of interests between the candidate and the Company. In case of any new circumstances likely to lead to a conflict of interests of the General Manager and the Company, the General Manager shall immediately communicate a written notice of such new circumstances to the Board.
- 8.5. The General Manager shall have the right to occupy another position or have another job in the Company or in other legal entities where the Company participates, only upon receipt of a prior consent of the Board, except for pedagogical, creative and author's activities, participation in professional associations of energy specialists and energy companies or electricity transmission operators, public organisations related exclusively to personal and/or family needs, for which such consent shall not be required.
- 8.6. The General Manager shall commence in his/her office as of the day of his/her election, unless otherwise provided for in the contract concluded with him/her. The contract with the General Manager shall be signed on behalf of the Company by the chairperson of the Board or by another member authorised by the Board.
- 8.7. The General Manager shall sign a commitment on non-disclosure of trade (industrial) secrets and confidential information of the Company before the commencement of his/her employment.
- 8.8. The work regulations of the General Manager shall be established by the job description of the General Manager to be approved by the Board.
- 8.9. The General Manager shall report to the Board of the Company.
- 8.10. Additional competences of the General Manager related to the Company:
- 8.10.1. organise and control the daily operations of the Company, adopt decisions related to the Company;
- 8.10.2. ensure the implementation of the Company's strategy and the implementation of decisions adopted by the Meeting and the Board of the Company;
- 8.10.3. conclude transactions on behalf of the Company under the procedure established by the Board. The General Manager may conclude transactions the decision on which must be made by the Board or the Board and the Meeting under these Articles of Association provided that a prior decision of the respective body has been obtained;
- 8.10.4. submit to the Board a draft strategy, a draft business plan and an exact draft annual budget and business objectives of the Company and other draft documents of the Company submitted to the Board for consideration and approval;

- 8.10.5. submit proposals to the Board regarding the revision of the Company's operating budget in the course of the budgetary year (where necessary);
 - 8.10.6. ensure the allocation of resources necessary for the activities of the Company's management bodies;
 - 8.10.7. may issue letters of procuration under the procedure laid down in the legislation;
 - 8.10.8. ensure that the Company's Auditor receives all documents of the Company required for the inspection specified in the contract with the Auditor or an audit company;
 - 8.10.9. control, coordinate and supervise the progress on and implementation of projects of special national significance and/or economic projects significant for the state, as defined in the applicable legislation, at the level of the Company;
 - 8.10.10. draft, at the periodic intervals established by the Board, the report on the implementation of the Company's business plan and submit it to the Company's Board;
 - 8.10.11. ensure in the manner laid down by law protection of the Company's property, rights and lawful interests as well as safe and appropriate work conditions, keep the Company's trade secrets and confidential information in strict confidence. The General Manager shall adopt decisions regarding the establishment of the rules on the classification, labelling, term, use and protection of trade/industrial secrets and confidential information at the Company;
 - 8.10.12. submit, at the periodic intervals established by the Board, quarterly reports on the Company's operations, its financial reports and economic forecasts as well as the documents required for meetings of the Board;
 - 8.10.13. perform other functions provided for in the Law on Companies and assigned to the competence of the Manager in these Articles of Association.
- 8.11. The General Manager, acting in compliance with the decisions adopted by the Board, shall vote in general meetings of shareholders of Controlled and Associated Companies, as provided for in Article 7.14.1 of the Company's Articles of Association. The General Manager shall also ensure the proper representation of the Company's rights and lawful interests in the Controlled and Associated Companies.
 - 8.12. The General Manager shall have the right to resign by submitting a written notice of resignation to the Board of the Company. The Board shall make a decision to recall the General Manager under the procedure laid down by law.

9. PROCEDURE FOR PUBLISHING NOTICES OF THE COMPANY

- 9.1. Notices of the Company which shall be public under the laws and other legal acts generally applicable to all legal entities and/or under these Articles of Association, shall be made public under the procedure established by the Government in the electronic publication for the publishing of public notices of the manager of the Register of Legal Entities. Unless otherwise provided for in the laws of the Republic of Lithuania and/or in these Articles of Association, other notices may be served in person, sent by post or delivered by other means of electronic communications, by promptly sending their originals to the addressee by a registered letter or delivering in person with signed acknowledgement of receipt. This provision shall not apply to those notices, which the Company publishes as an operator of the transmission system under the special requirements of legal regulation of the energy sector applicable for the operations of the transmission system operator and in the official website of the securities exchange where the shares of the Company are traded.
- 9.2. The sending and service of notices in due time shall be the responsibility of the Head of the Company or of the person duly authorised by the Head of the Company.

10. PROCEDURE FOR PRESENTING COMPANY DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS

- 10.1. The Company shall, at a shareholder's written request and within 7 (seven) calendar days from the receipt of the request, grant to the shareholder access to and/or submit to him/her copies of the following documents: the Company's Articles of Association, sets of annual and interim financial reports, annual and interim performance reports of the Company, the auditor's (of the firm of auditors) report and reports on audit, minutes of Meetings or other documents formalising the resolutions of Meetings, lists of shareholders, lists of Board members, other documents of the Company that must be publicly accessible under laws, also minutes of Board meetings or other documents formalising the decisions of these bodies

of the Company, unless these documents contain a trade/industrial secret or confidential information of the Company.

- 10.2. A shareholder or a group of shareholders who hold or control 1/2 or more of the shares and have submitted to the Company a written pledge of non-disclosure of commercial/industrial secrets and confidential information in the form prescribed by the Company, as well as any member of the Board shall have the right of access to any documents of the Company, controlled or associated companies and to any information of the Company, controlled or associated companies to the extent such information on associated companies is or, under the effective legal acts must be, in the possession of the Company, (including information about draft decisions not yet adopted by the management bodies of the Company and information about the transactions and investments planned to be made), which, at the request of the person receiving the information, shall be systematised according to reasoned criteria indicated by such person. In case the Company does not have the documents or information of the companies controlled by and/or associated with the Company requested by the persons referred to herein, the General Manager shall take immediate actions to obtain such documents and information for the Company, exercising the rights carried by the shares in the controlled and/or associated companies. Information and documents provided under this Article shall be delivered promptly, however not later than within 5 (five) working days as of the day of receipt of the relevant request. The entities referred to herein shall have the right to request and the Company shall have the right to ensure a periodic communication of specific information or documents without a separate request of the relevant entity.
- 10.3. All information and documents referred to in Articles 10.1 and 10.2 hereof shall be provided to the shareholders and Board members free of charge.

11. FINAL PROVISIONS

- 11.1. In case of any discrepancies between these Articles of Association and imperative legislative provisions regulating the legal status and/or activities of public companies, the imperative provisions of legal acts shall prevail.
- 11.2. The procedure for amending the Company's Articles of Association shall not differ from that laid down in the Law on Companies.
- 11.3. The Articles of Association of the Company shall come into force as of their registration in the Register of Legal Entities of the Republic of Lithuania.

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

Person authorised by the General Meeting of Shareholders:

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