

LITGRID AB
ARTICLES OF ASSOCIATION

I. GENERAL PROVISIONS

1. LITGRID AB (hereinafter referred to as the "Company") shall be a private legal entity of limited civil liability the authorised capital whereof shall be divided into shares.
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.
3. Legal form of the Company shall be a joint stock company.
4. The financial year of the Company shall be a calendar year.
5. The Company has been established for an unlimited term of duration.
6. The Company, together with the holding company UAB EPSO-G, code 302826889 (hereinafter referred to as the "Holding Company") and(or) other legal entities directly or indirectly controlled by the Holding Company, form a group of companies (hereinafter referred to as the "Group").
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 (hereinafter referred to as the "RL"), 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 RL, Resolutions of the Government of the RL on the management of enterprises managed or controlled by the State, the Governance Code of Companies listed on NASDAQ Vilnius (hereinafter referred to as the "Governance Code") to the extent these Articles of Association do not provide otherwise, as well as follow these Articles of Association (hereinafter referred to as the "Articles of Association"), and corporate internal documents approved by the Group and the Company under the established procedure.

II. OBJECTIVES AND PURPOSE OF BUSINESS ACTIVITIES OF THE COMPANY

8. 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 RL, 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.
9. 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:
 - (i) implement, within the scope of functions of a transmission system operator, technical measures necessary for the connection of the electric power system of the RL with the grids of the continental Europe for synchronous operations;
 - (ii) ensure and develop integration into the electricity markets of the continental Europe and Nordic countries.
10. 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.
11. 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.

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

12. The authorised capital of the Company shall be equal to EUR 146, 256, 100.20 (one hundred and forty-six million two hundred and fifty-six thousand one hundred euros and twenty cents).
13. The authorised capital of the Company shall be divided into 504, 331, 380 (five hundred and four million three hundred and thirty-one thousand three hundred and eighty) ordinary registered shares (hereinafter one ordinary registered share of the Company shall be referred to as the “Share”).
14. The par value of one Share shall be equal to EUR 0.29 (twenty eight euros, 96 cents).
15. 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.

IV. SHAREHOLDERS AND SHAREHOLDERS RIGHTS

16. 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.
17. All corporate bodies of the Company shall act so that appropriate conditions for the shareholders of the Company are created to exercise their rights.

V. MANAGEMENT BODIES AND MANAGEMENT OF THE COMPANY

18. The Company shall have the following bodies:
 - (i) the general meeting of shareholders (hereinafter referred to as the “Meeting”);
 - (ii) the board (hereinafter referred to as the “Board”);
 - (iii) the head of the Company – the General Manager of the Company (hereinafter referred to as the “General Manager”).
19. The committee of auditors (hereinafter referred to as the “CA”) and the committee on remuneration and appointment (hereinafter referred to as the “CRA”) formed in the Holding Company shall function as the audit committee and the committee on remuneration and appointment of the whole Group and shall, *inter alia*, carry out the functions of the audit committee and the committee on remuneration and appointment of the Company.
20. Management bodies of the Company shall adopt decisions independently and within their competence assigned to them by the legal acts in force in the RL 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.
21. Management bodies of the Company shall, following the requirements of legal acts in force in the RL and taking into account the provisions of other documents referred to in paragraph 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.
22. Management bodies of the Company shall 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.
23. 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.

24. There shall be a centralised internal audit system operating on the scale of the Group the functioning whereof shall be supervised and ensured by a functional division of internal audit set up in the Holding Company and accountable to the Board of the Holding Company.

VI. THE GENERAL MEETING OF SHAREHOLDERS

25. 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 RL (hereinafter referred to as the "LC"), except additional powers of the Meeting as provided for in Article 26 hereof.
26. The Meeting shall also adopt resolutions on (additional powers of the Meeting):
- (i) approval of the decisions of the Board provided for in Article 38 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 407.39 hereof;
 - (ii) appointment and revocation of the Board members of the Company, remuneration of the Board members, the amount of the annual budget for the remuneration of the Board members and compensation for the expenditures concerning their activities on 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;
 - (iii) removal or non-removal of the Board members where decisions are adopted in case of the existence of a conflict of interest of the Board members as provided for in Article 48 hereof.

VII. THE BOARD

7.1. Forming of the Board

27. The Board shall be a collegiate management body of the Company, consisting of 5 (five) members. Members of the Board shall be elected by the Meeting for the term of 4 (four) years with due consideration of recommendations brought forward by the CRA. The Board shall be accountable to the Meeting. A member of the Board may sit on the Board not longer than 2 (two) full terms of office, i.e. no longer than 8 (eight) consecutive years.
28. When electing Board members, it shall be made sure that the Board contains no less than 2 (two) independent members, where their independence is determined taking into consideration the criteria set out in the Governance Code and the Policy for the Management of Conflicts of Interest of the Members of the Group's Collegial Bodies, Managers and Employees (hereinafter referred to as the "Interest Management Policy") as well as the requirements of other applicable legal acts: it shall be made sure that no less than 3 (three) Board members are related to the Company by means of labour relationship, and, where practicable, all effort shall be put to make sure that no staff of the Company is appointed to the Board; it shall be also ensured that the Board members have the required expertise in the areas of responsibility and the functions of the Board.
29. Only a natural person may be elected to serve on the Board. The following persons may not serve as Board members:
- (i) Head of the Company;
 - (ii) Member of the Board of the Holding Company;
 - (iii) 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;
 - (iv) a person holding a position of a supervisory body, management body or a senior executive in the companies controlled by the Company (hereinafter referred to as the "Controlled

Company”¹) and in associated companies (hereinafter referred to as the “Associated Company”²);

- (v) 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;
 - (vi) auditor or a member of staff of an audit firm who participates and/or has participated in the performance of an audit of the Company’s set of financial statements which was conducted no less than 3 (three) years ago and which has signed an agreement on audit of the Company’s set of financial statements;
 - (vii) other persons who are not entitled to occupy such position under effective legal acts.
30. 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.
31. 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.
32. 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, i.e. a situation where personal interests of a such person were (directly or indirectly) related to decisions which would be adopted by a such person holding the office of a Board member. In case of any new circumstances likely to lead to a conflict of interests of the Board member, the Board member shall immediately report to the Board and communicate a separate notice to the Company as prescribed in the procedure of the Interest Management Policy.
33. 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 (in compliance with the limitations stipulated in Article 29 hereof), including the legal entities where the Company or the Holding Company participates, only subject to giving a prior notice to the Board.
34. Agreements with the members 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 aid to the Board members. All the elected Board members shall promptly sign commitments of non-disclosure of trade/industrial secrets and confidential information of the Company which may be also enshrined in the agreement on activities in the Board or may be signed separately.

7.2. Field of Competence of the Board

35. The competence of the Board shall not differ from that specified in the LC, except the additional powers set out in Paragraphs 36 – 44 of these Articles of Association.
36. The Board shall consider and approve, including but not limited:
- (i) the operating strategy of the Company;
 - (ii) 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;
 - (iii) the 10 (ten) year plan on the development of electricity transmission networks of the Company;
 - (iv) the list of the Company’s projects operated by the Board in accordance with the Group’s Project Management Policy;

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

- (v) the annual budget and the business objectives of the Company;
- (vi) the procedure for granting support and charity;
- (vii) 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 38 hereof;
- (viii) 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;
- (ix) the security plan of the Company as of an enterprise which is significant in guaranteeing national security;
- (x) 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;
- (xi) consider documents of the Group (guidelines, policies, procedures, etc.) and decide on the scope of their application in the Company, other documents regulating the Company's activities.

37. The Board shall also adopt decisions on:

- (i) setting 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;
- (ii) the issuance of bonds (except convertible debentures);
- (iii) 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;
- (iv) the Company's participation in the activities of associations or unions of legal entities of any form;
- (v) 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) owned by the Company or any other change of the rights carried by these shares (stakes, units), approve the main terms and conditions of share subscription agreements;
- (vi) the transfer, mortgage/pledge, change of the legal status, any other encumbrance or disposal of the assets owned by the Company and included in the List of Facilities and Assets of Special Strategic Importance to the National Security as stipulated in the Law on Protection of Objects Significant for National Security of the RL, if the book value of the assets transferred is below or equal to 1/50 of the authorised capital of the Company;
- (vii) approval of 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;
- (viii) acquisition of 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;
- (ix) acquisition of goods, services or works from the Holding Company irrespective of their value;
- (x) the investment and/or disposal of assets the book value whereof exceeds EUR 3, 000, 000 (calculated individually for each transaction type);
- (xi) any transactions the inappropriate handling of which may signify that the Company might have to pay contractual penalties exceeding EUR 3,000,000;

- (xii) the lease, pledge or mortgage of non-current assets the book value whereof exceeds EUR 3, 000,000 (calculated as total amount of transactions);
- (xiii) offering of surety or guarantee for the discharge of obligations of other persons the amount whereof exceeds EUR 3, 000, 000;
- (xiv) the acquisition or creation of assets for the price exceeding EUR 3, 000, 000;
- (xv) 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;
- (xvi) 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;
- (xvii) non-application of contractual penalties to the Company's contracting parties, if the amount of such penalties is above EUR 100, 000;
- (xviii) engagement 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;
- (xix) entry 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;
- (xx) according to a centralised internal audit system operating on the scale of the Group identified weaknesses and recommendations, approves the action plan to eliminate weaknesses and implement recommendations, discusses implementation reports of the action plan;
- (xxi) 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;
- (xxii) The Board shall also have the right to consider other issues addressed to the Board by at least one member of the Board.

38. The Board shall adopt the following decisions requiring an approval of the Meeting:

- (i) 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;
- (ii) on the transfer of a complex of assets or a substantial part thereof owned by the companies controlled by and/or associated with the Company, if the book value of the assets transferred is above 1/50 of the authorised capital of the Company;
- (iii) on the transfer, mortgage/pledge, change of the legal status, any other encumbrance or disposal of the Company's assets included in the List of Facilities and Assets of Special Strategic Importance to the National Security as stipulated in the Law on Protection of Objects Significant for National Security of the RL, if the value of the above-referred assets is above 1/50 of the authorised capital of the Company;
- (iv) 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 subparagraph (iii)(iii) 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;

- (v) on the investment, disposal, lease (calculated individually for every type of transaction), pledge or mortgage (calculated as total amount of transactions) of the assets of the Company the book value whereof exceeds 1/10 of the authorised capital of the Company;
 - (vi) on any transactions the inappropriate handling of which may signify that the Company might have to pay contractual penalties exceeding 1/10 of the authorised capital of the Company;
 - (vii) 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;
 - (viii) on the acquisition of assets the price whereof exceeds 1/10 of the authorised capital of the Company;
 - (ix) on the submission of the Company's projects for recognising them as the projects of special national significance and/or projects important to the State, as they are defined in legal acts;
 - (x) on the construction and/or demolition of inter-system lines with other states.
39. Before adopting the decisions listed in Article 38 hereof, the Company must receive the approval of the Meeting or postpone the validity of such decision to the moment when the required approval of the Meeting is received. The consent of the Meeting does not release the Company from the liability for the adopted decisions.
40. When adopting decisions on the entry into transactions specified in Article 37 and Article (xxii), 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.
41. The Board shall perform the following additional functions in relation to Controlled Companies and Associated Companies:
- (i) 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;
 - (ii) The Board shall decide on the amendment of articles of association of Controlled and Associated Companies;
 - (iii) The Board may 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;
 - (iv) 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.

7.3. Competence of the Board in Relation to the Fulfilment of Functions of Supervision

42. The Board shall fulfil the following functions of supervision:
- (i) taking into account the AC's opinion, approve or disapprove the conclusion of transactions with related/associated parties;
 - (ii) supervise the activities of the General Manager, provide the Meeting with feedback and proposals with regard to the General Manager's performance;
 - (iii) consider, whether the General Manager is suitable for the position, if the Company performance is loss-making;
 - (iv) put forward proposals to the General Manager to cancel his decisions which conflict with laws and other legal acts, the Articles of Association, the decisions of the Meeting or the Board.
 - (v) adopt decisions on other issues assigned to the competence of the Board by other legal acts, these Articles of Association, resolutions of the Meeting, decisions of the Board and issues of the general manager supervision;

43. Taking into consideration the conclusion of the AC, the Board shall decide whether to approve or disapprove the Company's transactions with the related/associated parties, where such transactions:
- (i) are concluded under unusual market conditions and/or;
 - (ii) cannot be attributed to the Company's usual economic activity and/or;
 - (iii) have a significant effect on the Company, its finances, assets or liabilities. Transactions with associated/related persons shall be considered as having a significant effect on the Company, its finances, assets or liabilities, where the possible total effect of such transaction on the Company, in the form of money, exceeds EUR 5 000 000.
44. With due regard to the AC's opinion, the Board shall establish the rules which shall detail how the criteria for the evaluation of transactions referred to in Article 43 hereof with the associated parties are established.

7.4. Meetings and Other Procedural Aspects of the Board's Activity

45. The Board shall adopt its decisions at the meetings of the Board that shall be convened as much as required so that the Board could properly fulfil its functions and adopt decision within the field of its competence. The regulation of the convocation of Board meetings and the voting procedure as well as other procedural issues shall be as provided by the LC and related legislation and shall be defined in detail in the rules of procedure of the Board, which shall be approved by the Board.
46. 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 employees of the Company elected to the Board.
47. Members of the Board who cannot directly attend the meeting of the Board shall put every effort to 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 and such members of the Board voting shall be considered as attending the meeting.
48. A member of the Board can neither refuse to vote nor abstain, except in cases specified by laws and these Articles of Association. If a member of the Board participates (votes, takes part in discussions, etc.) in the adoption of the decision which is (directly or indirectly) related to personal interests of a corresponding Board member, the respective member of the Board must immediately refrain from any actions in fulfilling his functions and shall notify the Board of the existing conflict of interest. The Board shall decide on the suspension of the member of the Board from voting when adopting a decision on a specific issue, and where the Board is unable to make a decision for the reason that one member of the Board cannot vote on a corresponding issue because of a conflict of interest, the respective decision on the suspension of members of the Board shall be adopted by the Meeting.
49. The Board 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.
50. 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.
51. A member of the Board shall have the right to familiarise with all documents of the Company and its Controlled and Associated Companies as well as with all information of the Company and its Controlled and Associated Companies to the extent to which the Company has in its disposition or in accordance with the existing legal acts is entitled to have in its disposition the details of the Associated Companies.
52. The Board shall conduct its performance assessment and its needs analysis at least once a year so as to determine what type of expertise members are required to achieve the Company's and the Group's objectives and shall notify the Meeting and the CRA of the results of its performance assessment and needs analysis.

53. Other issues related to the constitution and decision-making of the Board shall be within the regulation provided by the LC.

VIII. GENERAL MANAGER

8.1. Appointment of the General Manager

54. The General Manager shall be a single-person management body of the Company appointed by the Board taking into consideration the recommendations of the CRA. The General Manager is accountable to the Board.
55. The General Manager shall be a natural person. The following persons shall not be allowed to act as General Manager:
- (i) a member of the Board;
 - (ii) a person holding a position of a management body, supervisory 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;
 - (iii) a person who under other legal acts is not entitled to serve in this office.
56. 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.
57. 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 of the candidate, i.e. a situation where personal interests of a such person were (directly or indirectly) related to decisions which would be adopted by a such person holding the office of a General Manager. In case of any new circumstances likely to lead to a conflict of interests of the General Manager, the General Manager shall immediately report to the Board about such new circumstances.
58. 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, gas transmission operators, public organisations related exclusively to personal and/or family needs, for which no such consent of the Board shall be required, however, the Board must be notified thereof.
59. 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.
60. Other rules for the election, recall, established of a term of office of the General Manager are governed by the LC and other applicable legal acts.

8.2. Competence of the General Manager

61. Competence of the General Manager is no different from the one established in the LC, except for the additional competence of the General Manager specified in Article 63 of these Articles of Association.
62. Additional competences of the General Manager related to the Company:
- (i) organise and control the daily operations of the Company, adopt decisions related to the Company;
 - (ii) ensure the implementation of the Company's strategy and the implementation of decisions adopted by the Meeting and the Board of the Company;
 - (iii) conclude transactions on behalf of the Company under the procedure established by the Board. The General Manager may conclude transactions the decision on the conclusion of which or on the approval for the conclusion of such transactions 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 or by postponing the entry into force of such transaction to the moment when the required decisions are adopted;

- (iv) 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;
 - (v) submit proposals to the Board regarding the revision of the Company's operating budget in the course of the budgetary year (where necessary);
 - (vi) ensure the allocation of resources necessary for the activities of the Company's management bodies;
 - (vii) may issue letters of procuration under the procedure laid down in the legislation;
 - (viii) 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;
 - (ix) ensure that an internal auditor who conducts a centralised internal audit on the scale of the Group is provided with all Company's documents and details required for the performance of an internal audit;
 - (x) 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;
 - (xi) 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 Board;
 - (xii) 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;
 - (xiii) 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;
 - (xiv) perform other functions provided for in the LC and assigned to the competence of the Manager in these Articles of Association.
63. 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 1 of the 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.

8.5. Resignation or Recall of the General Manager

64. The General Manager shall have the right to resign by submitting a written notice of resignation to the Board. The Board shall make a decision to recall the General Manager under the procedure laid down by law. Should the Board fail to adopt the decision to recall the General Manager, the contract concluded with the General Manager shall expire in accordance with the procedure and the timeframe established in laws.
65. In the event of recall of the General Manager or his resignation from the office in accordance with the procedure established in the LC, the General Manager must transfer the material values and the main documents of the Company to a newly assigned General Manager, and in cases where no new General Manager is assigned – to the chairperson of the Board, by signing a transfer and acceptance deed.

IX. PROCEDURE FOR PUBLISHING NOTICES OF THE COMPANY

66. 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 RL 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. 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 are traded.

67. The sending and service of notices in due time shall be the responsibility of the General Manager or of the person duly authorised by the General Manager.

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

68. 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 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, unless these documents contain a trade/industrial secret or confidential information of the Company.
69. The Company shall provide a shareholder with access to the other Company's details and, at the request of a shareholder, shall systematise the information according to the specified criteria and/or provide copies of documents, where the shareholder needs such information and documents for the fulfilment of the requirements of laws, and the shareholder shall ensure the confidentiality of such information and documents. The Company may refuse to provide a shareholder with information and documents necessary for the fulfilment of requirements of legislation, if there is a possibility for the Company to provide such information and/or documents directly to persons (authorities and institutions) which have to be provided with such information and/or documents in compliance with the requirements of legislation.
70. All information and documents referred to in Articles 68 and 69 hereof shall be provided to the shareholders and Board members free of charge.

XI. FINAL PROVISIONS

71. 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.
72. The procedure for amending the Articles of Association shall not differ from that laid down in the LC. The Articles of Association of the Company shall come into force as of their registration in the Register of Legal Entities of the RL.

These Articles of Association were signed on [] 2018.

Person authorised by the General Meeting of Shareholders:

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