



# Notice of the Ordinary General Meeting of Shareholders

8 March 2022



## Ordinary General Meeting of Shareholders of AB “Ignitis grupė”

On 8 March 2022 the Management Board of AB “Ignitis grupė” (hereinafter – the Group or the Company), company code 301844044, registered office address Laisvės Ave. 10, Vilnius, decided to convene the Ordinary General Meeting (hereinafter – OGM) of Shareholders, to be held on

**29 March 2022, 13.00 pm (Vilnius time) at**

**Radisson Blu Hotel Lietuva, Konstitucijos Ave. 20, Vilnius, LT-09308**

**The registration starts at 12.00 pm and closes at 12.45 pm (Vilnius time)**

With continued uncertainty around the status of the COVID-19 pandemic and prevailing restrictions in place, the Group:

- asks to inform about the need to attend the OGM of Shareholders in person no later than 2 business days prior (or by 25 March 2022 inclusive) to the OGM of Shareholders by e-mail [IR@ignitis.lt](mailto:IR@ignitis.lt);
- reserves the right to not allow shareholders who do not have personal protective equipment or shareholders whose health condition is reasonably doubtful to participate in the OGM of Shareholders;
- asks the shareholders, instead of attending the OGM in person, to vote by filling in the general ballot paper and submit it in advance as the ability to attend the OGM in person may vary depending on the changes in legal requirements related to COVID-19, about which the Group will inform on its website at <https://ignitisgrupe.lt/en/gm>.

The agenda for the OGM of Shareholders and proposed resolutions are:

No.	Item	Proposed resolution	Arguments
1	Regarding the assent to AB “Ignitis grupė” consolidated annual report for the year 2021, except for the part of the remuneration report.	1.1. To assent to AB “Ignitis grupė” consolidated annual report for the year 2021, except for the part of the remuneration report.	<a href="#">(link)</a>
2	Regarding the assent to the remuneration report of AB “Ignitis grupė”, as a part of the consolidated annual report of AB “Ignitis grupė” for the year 2021.	2.1. To assent to the remuneration report of AB “Ignitis grupė”, as a part of the consolidated annual report of AB “Ignitis grupė” for the year 2021.	<a href="#">(link)</a>
3	Regarding the approval of the set of audited annual financial statements of AB “Ignitis grupė” and consolidated financial statements of AB “Ignitis grupė” group of companies for the year 2021.	3.1. To approve the set of audited annual financial statements of AB “Ignitis grupė” and consolidated financial statements of AB “Ignitis grupė” group of companies for the year 2021.	<a href="#">(link)</a>

4	Regarding the formation of reserve for acquisition of own ordinary registered shares.	4.1. To form a reserve of EUR 14,659,965.00 for the acquisition of own ordinary registered shares.	Annex 1
5	Regarding the allocation of profit (loss) of AB "Ignitis grupė" for the year 2021.	5.1. To allocate the profit (loss) of AB "Ignitis grupė" for the year 2021.	Annex 2
6	Regarding the acquisition of AB "Ignitis grupė" own ordinary registered shares.	<p>6.1. The purpose of the acquisition of own ordinary registered shares – reducing AB "Ignitis grupė" share capital by annulling AB "Ignitis grupė" own ordinary registered shares.</p> <p>6.2. The maximum number of ordinary registered shares to be acquired – 958,167 units of ordinary registered shares (i.e., equal to a reserve formed for the acquisition of own ordinary registered shares (EUR 14,659,965.00) divided by the minimum ordinary registered share purchase price), corresponding to approximately 1.29% of total number of ordinary registered shares.</p> <p>6.3. The period within which AB "Ignitis grupė" may acquire its own ordinary registered shares – 18 months after the date of adoption of this resolution.</p> <p>6.4. Minimum ordinary registered share purchase price – EUR 15.30, maximum ordinary registered share purchase price – EUR 22.50.</p> <p>6.5. To authorise the Management Board of AB "Ignitis grupė" to make decisions on the acquisition of AB "Ignitis grupė" own ordinary registered shares, including:</p> <p>6.5.1. organising the acquisition of own shares through Nasdaq Vilnius tender auction platform (<a href="#">link</a>);</p> <p>6.5.2. determining the procedure, time, number of ordinary registered shares and price as well as performing other actions related to the acquisition of own ordinary registered shares, in accordance with the conditions set in this decision of general meeting of shareholders and requirements of legal acts;</p> <p>6.5.3. initiating and carrying out the acquisition of own ordinary registered shares as many times as the Management Board deems necessary by a separate decision of the Management Board.</p>	Annex 3
7	Regarding the approval of the new wording of the Articles of Association of AB "Ignitis grupė" and the power of attorney.	<p>7.1. To approve the new wording of the Articles of Association of AB "Ignitis grupė".</p> <p>7.2. To authorize the Chief Executive Officer of AB "Ignitis grupė" or another person authorised by him to sign the amended Articles of Association and to perform all actions necessary for the implementation of this resolution.</p>	Annexes 4, 5 and 6

## Other information

### Share capital and voting rights

The Group's share capital is EUR 1,658,756,293.81, divided into 74,283,757 ordinary registered shares with the nominal value of EUR 22.33 per each share. Each share carries one vote.

### Agenda

The agenda of the OGM of Shareholders of the Group may be supplemented on the initiative of shareholders whose shares held in the Group carry at least 1/20 of all votes at the OGM of Shareholders of the Group. The proposal to supplement the agenda of the respective OGM of Shareholders shall be accompanied by draft decisions or, where no decisions have to be taken, by explanations on each proposed agenda item of the OGM of Shareholders. The agenda shall be supplemented if the proposal is received no later than 14 before the respective OGM of Shareholders.

Shareholders whose shares held in the Group carry at least 1/20 of all votes at the OGM of Shareholders shall have the right to propose, at any time before or during the OGM of Shareholders of the Group, new draft decisions on issues that are included or will be included in the agendas of the OGM of Shareholders of the Group. Proposals on the supplementation of the respective agenda or relevant draft decisions shall be submitted in writing to the Group, Laisvės Ave. 10, Vilnius, or by e-mail [IR@ignitis.lt](mailto:IR@ignitis.lt).

### Record date of attendance and voting rights

Shareholders holding shares in the Group the fifth business day before the date of the OGM of Shareholders (record date) are entitled to attend and vote at the OGM of Shareholders.

The date of registration (or record date) is 22 March 2022. At the end of the date of registration, the shareholding and voting rights are determined based on the ownership recorded in the shareholders' register. Furthermore, attendance at the OGM of Shareholders is at the discretion of the shareholder.

### Voting

A shareholder or his authorised representative who is unable to attend the OGM of Shareholders may vote in writing in advance (by filling in and submitting the general ballot paper).

#### **Obtaining a general ballot paper**

- It may be downloaded from the Group's website: <https://ignitisgrupe.lt/en/gm>
- Upon a written request, the Group shall send a general ballot paper by registered mail or deliver it to the shareholder with a signed acknowledgement of receipt at least 10 days prior (or by 19 March 2022) to the OGM of Shareholders

#### **Ways of submitting a general ballot paper**

- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted by emailing [IR@ignitis.lt](mailto:IR@ignitis.lt) A general ballot paper, completed and signed by qualified electronic signature, shall be submitted by emailing [IR@ignitis.lt](mailto:IR@ignitis.lt)  
or
- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted to the Group by registered mail or delivered to AB "Ignitis grupė", Laisvės Ave. 10, Vilnius, LT-04215, Lithuania, attn. Ainė Riffel-Grinkevičienė, no later than before the OGM of Shareholders, i.e., no later than 29 March 2022, 12.45 pm.

**Important:** if the general ballot paper is signed by an authorized person, a document confirming the right to vote must be submitted as well.

- Detailed instructions on signing and submitting the general ballot paper to the Group are also available on the Group's website: <https://ignitisgrupe.lt/en/gm>

The Group shall reserve the right not to include the advance vote of a shareholder or his authorised representative, if the submitted general ballot papers do not conform to the provisions of Article 30(3) and (4) of the Law on Companies

of the Republic of Lithuania or they are received after the end of deadline or filled in such manner that it is impossible to establish the true will of the shareholder on a separate issue.

### ***Voting under the power of attorney***

Persons shall have the right to vote under the power of attorney in OGM of Shareholders. Power of attorney shall state in a written document that one person (the principal) grants to another person (the authorised representative) the right to represent the principal in establishing and maintaining relation with the third party. An authorisation to perform actions on behalf of a natural person that pertain to legal entities must be notarised, except in cases provided by the law and authorising the granting an authorisation in any other form. A power of attorney issued abroad must be translated into Lithuanian and legalized in accordance with the procedure established by law. The Group does not establish a special form of power of attorney. Authorised representatives must hold the power of attorney as provided by the law, which must be submitted before the OGM of Shareholders. The authorised representative shall enjoy the same rights in convened OGM of Shareholders as his represented shareholder would.

Shareholders entitled to attend the OGM of Shareholders shall have the right to authorise a natural person or a legal entity using electronic means of communication to attend and vote on their behalf at an OGM of Shareholders. Such authorisation does not need to be notarised. The Group shall acknowledge authorisation granted by electronic means of communication only if the shareholder signs it by electronic signature generated by safe software and certified by a qualified certificate applicable in the Republic of Lithuania, i.e., if the security of the conveyed information is ensured and the identity of the shareholder can be established. The shareholder must notify the Group in writing about granted authorisation by electronic means of communication by sending an authorisation by e-mail to [IR@ignitis.lt](mailto:IR@ignitis.lt) no later than until the OGM of Shareholders.

### **Questions**

Any shareholder of the Group may present questions related to the agenda of the OGM of Shareholders of the Group. Such questions must be submitted by e-mail to [IR@ignitis.lt](mailto:IR@ignitis.lt) or delivered to the Group, Laisvės Ave. 10, Vilnius, Lithuania, attn. Ainė Riffel-Grinkevičienė no later than 3 working days (or by 24 March 2022 inclusive) before the OGM of Shareholders. After receiving the questions, the answers will be provided to the Group's shareholders in accordance with the procedure established by the Law on Companies of the Republic of Lithuania, i.e., at the same time for all shareholders of the Group prior to the OGM of Shareholders in the form of questions and answers on the website of the Group at <https://ignitisgrupe.lt/en/gm>.

### **Webcast**

The OGM of Shareholders will not be webcasted.

### **Language**

The OGM of Shareholders will be held in Lithuanian with simultaneous interpretation to English.

### **Available information**

All statutory information related to the convened OGM of Shareholders and annexes to issues on the agenda of such meeting will be available on the website of the Group at <https://ignitisgrupe.lt/en/gm> and other informational sources based on the procedures established by the law.

### **Other information**

Electronic means of communication shall not be used for the participation and voting at the OGM of Shareholders.

## Annex 1: arguments regarding the formation of a reserve for acquisition of own ordinary registered shares

On 5 October 2020 the Company while executing its initial public offering (IPO) issued 20,000,000 new ordinary registered shares (hereinafter – ORS) by increasing the share capital to EUR 1,658,756,293.81. On 7 October 2020 the newly issued ORS were admitted to the Main Trading List of Nasdaq Vilnius and the global depository receipts (hereinafter – GDRs) representing the Company's ORS to the standard listing segment of the Official List of the United Kingdom Financial Supervision Authority (FCA) and to trading on the Main Market of the London Stock Exchange.

In order to maintain the market price of the issued securities and in accordance with the international market practice, the Company and Swedbank AB, in cooperation with Kepler Cheuvreux, entered into agreements, which were first announced on 4 September 2020 together with the registration document. On 6 January 2020, according to the rights established in the agreements, “Swedbank”, AB transferred all its rights and obligations under the agreements to Swedbank AB (publ). Swedbank AB (publ) (hereinafter – Stabilisation Manager or Swedbank) took over the rights of the Stabilisation Manager from “Swedbank”, AB, which from the moment onwards acted as an intermediary of the Stabilisation Manager.

Worth mentioning that both the stabilization mechanism as well as the appointment of the Stabilization Manager to implement stabilization related services are common capital market practice designed to absorb selling pressure and/or volatile trading after IPO. As an example, the largest European utilities like Orsted (during their IPO in 2016 – Dong Energy) or Iberdrola Renovables (during their IPO in 2007) had also the stabilization mechanism set to comfort investors regarding the IPO aftermarket performance.

Pursuant to the agreements with the Stabilization Manager, they were entitled for a 30 days period from the securities admission to the Nasdaq Vilnius and London Stock Exchanges (from 7 October 2020 to 5 November 2020, hereinafter – Stabilization Period) to acquire no more than 10 per cent of the newly issued shares or GDRs, if the price of securities in the secondary market falls below the IPO offer price (EUR 22.50).

Accordingly, stabilization measures (within the meaning of Article 3.2.(d) of the Market Abuse Regulation (EU/596/2014)) were carried out during the Stabilization Period and the Stabilization Manager acquired 631,938 of the Company's ORS publicly traded on the Nasdaq Vilnius Stock Exchange and 1,368,061 GDRs publicly traded on the London Stock Exchange (hereinafter – Stabilized Securities). The average price of securities acquired by the Stabilization Manager equals to EUR 21.46 and the total amount of Stabilized Securities accounts to EUR 42,910,827.15. According to the agreement with the Stabilisation Manager, Swedbank is obligated to hold the Stabilised Securities until 1 July 2022.

It should be noted that the conditions of the arrangements with the Stabilization Manager regarding settlement of the stabilization related services provided, as detailed in the Company's IPO prospectus ([link](#)) (Part 17, starting paragraph 10, page 330), remained unchanged, i.e.:

- in the event that the price at which the Stabilized Securities are sold is less than the price at which the Stabilized Securities were purchased, the Company has agreed to pay the difference to the Stabilization Manager;
- conversely, the Stabilization Manager has agreed to pay to the Company an amount equal to the excess of the price at which the Stabilized Securities are sold over the price at which the Stabilized Securities were purchased;
- the Company has agreed to pay the cost incurred by acquiring the Stabilized Securities, including any incidental costs, to the Stabilization Manager;
- these arrangements are applicable in the case of any transfer or disposal of the Stabilized Securities by the Stabilization Manager, including the sale of Stabilized Securities via acquisition of own ORS by the Company;
- any rights to settlement of the Stabilization Manager for the services provided are secured by way of cash collateral held in escrow and pledged in favor of the Stabilization Manager.

Following the information stated above, the Stabilized Securities can be either:

- (i) acquired by the Company from the Stabilization Manager through the acquisition of own ORS ensuring equal opportunities for all shareholders to participate in the public tender offer in accordance with the article 54 paragraph 1 of Law on Companies of the Republic of Lithuania
- or
- (ii) sold by the Stabilization manager in the market or via private placements.

Therefore, due to the market price of the Company's securities, which was below the IPO offer price (EUR 22.50) ( positive financial effect) and for the benefit to shareholders (increasing returns per share), the Company's General Meeting of Shareholder was proposed to form a reserve for the acquisition of own ORS and to adopt resolutions on the acquisition of own ORS. The resolutions were adopted during the General Meetings of Shareholders held

on 25 March 2021 (reserve for the acquisition of own ORS was formed) and 29 July 2021 (resolution on the acquisition of own ORS was adopted) respectively.

Accordingly, on December 2021 the Company performed the acquisition of own ORS via a public auction and acquired 1,243,243 ORS units for EUR 22,999,995.50 (the ORS ownership right was transferred to the Company on 16 December 2021). All acquired ORS were sold by the Stabilisation Manager. After the acquisition of own ORS, the Stabilisation Manager is holding 756,756 units of the Company's Stabilized Securities.

Currently, the Company is proposed to acquire 651,554 units of own ORS, selling the remaining Stabilised Securities held by the Stabilisation Manager (105,202 units) in the market or via private placements, in order to ensure the property and non-property rights of the minority shareholders, which are detailed below:

1. ensuring property rights: to ensure the rightful expectations of investors regarding the continuity of the Dividend Policy of the Company, which may be achieved only when the free-float of the Company's securities quoted on the regulated market is at least 25% (according to the Resolution of the Government of Republic of Lithuania of 2 September 2020 "On the dividends payable by AB "Ignitis grupė");
2. ensuring non-property rights: to ensure the same non-property rights of investors, which could change after the majority shareholder (the Ministry of Finance of the Republic of Lithuania) owns 75% or more shares of the Company. After the majority shareholder reaches the aforementioned share threshold, it would obtain a right to adopt a resolution to revoke the pre-emptive right for all shareholders to acquire newly issued shares or convertible debentures of a specific issue by the Company without the consent of other shareholders, which would mean that minority shareholders would not have the opportunity to exercise a pre-emptive right (according to the Art. 28 (2) of the Law on Companies of the Republic of Lithuania).

The Company, in order to acquire the provided amount of the Stabilised Securities, in accordance with the Law on Companies of the Republic of Lithuania, must establish a reserve for the acquisition of own ORS, which can be established only during the OGM of Shareholders.

Therefore, due to the reasons listed above, the Company is proposed to set up a reserve of EUR 14,659,965.00 (equal to the number of ORS targeted to acquire (651,554 units) multiplied by the maximum ORS acquisition price (EUR 22.50, see the arguments in Annex 3)) for the acquisition of own ORS.

The establishment of the reserve for acquisition of own ORS does not constitute the fact that the acquisition will be implemented and that the reserve will be used. In accordance with the Law on Companies of the Republic of Lithuania, if the reserves established earlier are not used and are not intended to be used, they can be reallocated when allocating the profit for the next financial year. Accordingly, if it would be decided not to perform the acquisition of own ORS, the reserve could be reallocated during the OGM of Shareholders to be held in 2023.

More information on stabilisation was made public on the following dates:

#	Date	Name of the document	Links
1	4 September 2020	Correction: Announcement of Publication of Registration Document	<a href="#">Link</a>
2	21 September 2020	Announcement of Price Range and Publication of Approved Prospectus of AB Ignitis Grupė	<a href="#">Link</a>
3	6 October 2020	AB Ignitis Grupė stabilisation notice	<a href="#">Link</a>
4	15 October 2020	Mid-Stabilisation Period Notice	<a href="#">Link</a>
5	26 October 2020	Mid-Stabilisation Period Notice	<a href="#">Link</a>
6	5 November 2020	Post-Stabilisation Period Announcement	<a href="#">Link</a>
7	26 February 2021	Notice convening the Ordinary General Meeting of AB "Ignitis grupė" shareholders	<a href="#">Link</a>
8	25 March 2021	Resolutions of Ordinary General Meeting of AB "Ignitis grupė" shareholders	<a href="#">Link</a>
9	7 May 2021	Regarding the stabilized securities	<a href="#">Link</a>
10	7 July 2021	Concerning the decision of the Management Board of AB Ignitis grupė to extend the Long Stop Date of Stabilized securities	<a href="#">Link</a>
11	7 July 2021	Notice convening the Extraordinary General Meeting of AB "Ignitis grupė" shareholders	<a href="#">Link</a>

12	29 July 2021	Resolutions of Extraordinary General Meeting of AB "Ignitis grupė"	<a href="#">Link</a>
13	2 December 2021	On the decision of AB "Ignitis grupė" Management Board regarding the acquisition of own shares	<a href="#">Link</a>
14	14 December 2021	AB "Ignitis grupė" completed an acquisition of its own shares	<a href="#">Link</a>



## Annex 2: AB “Ignitis grupė” draft of the profit (loss) distribution 2021

Articles	Amount, EUR
Retained earnings (deficit) at the end of 2020	113,868,551.88
share of profit, distributed to legal reserve	(5,729,352.00)
share of profit, distributed to reserve for the purchase of own shares	(23,000,000.00)
share of profit, distributed to pay out dividends for period of 2020	(85,010,295.30)
Net profit for the year of 2021	231,557,799.95
Profit (loss) not recognized in the income statement	(1,540,734.47)
Transfer from other reserves	0.00
<b>Distribution of profit (loss) at the end of 2021, total</b>	<b>230,145,970.06</b>
Share of profit, distributed to legal reserve	(11,577,890.00)
Share of profit, distributed to reserve for the purchase of own ordinary registered shares	(14,659,965.00)
<b>Distribution of profit</b>	<b>203,908,115.06</b>
Share of profit, distributed to pay out dividends for period 2021.01.01 – 2021.06.30	(43,753,132.87)
Share of profit, distributed to pay out dividends for period 2021.07.01 – 2021.12.31	(43,824,308.40)
<b>Distributed earnings at the end of 2021, brought forward (retained earnings, remaining after profit distribution)</b>	<b>116,330,673.79</b>
Dividends per share for the period of 2021.07.01 - 2021.12.31	0.600 <sup>1</sup>
Number of shares for the distribution of dividends for the period of 2021.07.01 - 2021.12.31	73,040,514 <sup>2</sup>

<sup>1</sup> The dividends per ordinary registered share may increase at most to EUR 0.608 if the acquisition of own shares would take place before the record date for the dividend payment (for ordinary registered shares) (12 April 2022, inclusive) and AB „Ignitis grupė“ would acquire the maximum allowed number of ordinary registered shares equal to 958,167 units of ordinary registered shares (if less shares would be acquired, the dividends per share would be adjusted proportionally).

<sup>2</sup> In accordance with Article 60(7) of the Republic of Lithuania Law on Companies, the persons who were the shareholders of a company at the end of the day when the general meeting of shareholders declared the dividends (in the case of a public limited liability company – at the end of the rights accounting day) or were entitled to receive the dividends on other legal ground shall be entitled to the dividend, while under Article 54(7) of the Law on Companies, having acquired its own shares, a company may not exercise the property and non-property rights attached to the shares as laid down in this Law on Companies. It needs to be noted that Article 15(1)(1) of the Law on Companies provides that the shareholders shall have a property right to receive a portion of the company's profit (dividend). Due to the fact that the Company has acquired 1,243,243 units of its own ordinary registered shares, the total number of ordinary registered shares for the distribution of dividends for the reporting period from 1 July 2021 to 31 December 2021 amounts to 73,040,514 units.

## Annex 3: arguments regarding the formation of a reserve for acquisition of own shares

In relation to the arguments set out in Annex 1 and due to the current market price of the Company's securities' being below the IPO offer price (EUR 22.50) (positive financial effect) and for the benefit of the shareholders (increasing the return per share), it is proposed for the Company to initiate the acquisition of its own ORS for the amount equal to EUR 14,659,965.00 (i.e. equal to an amount of reserve for the acquisition of own ORS, which according to the national law is allowed to be formed only during the Ordinary General Meeting of Shareholders and which is expected to be formed by the decision of the Company's General Meeting of Shareholders on 29 March 2022 with a purpose to annul the acquired shares thus reducing the share capital (to be subject to separate decision of the general meeting of shareholders).

It should be noted that the Company intends to acquire its own ORS through Nasdaq Vilnius tender auction platform ([link](#)). GDR holders will be able to participate in the acquisition of the Company's own ORS after converting their GDRs into ORS by their securities account manager, if the latter provides such services or by choosing other securities account manager. Thus, all shareholders (including the Stabilization Manager) will be entitled to sell their securities to the Company.

Based on the article 54 paragraph 2 of Law on Companies of the Republic of Lithuania, the company may acquire its own shares by the decision of the general meeting of shareholders. The decision of the general meeting of shareholders shall specify the details stated in the table below. Accordingly, the management board of the Company proposes to the general meeting of shareholders to approve these details of the acquisition of its own ORS because as indicated below.

Nr.	Requirement	Proposed Resolution	Arguments
1	The purpose of the acquisition of own ORS.	Reducing Company's share capital by annulling the Company's own ORS.	Due to the implemented stabilization as well as current market price of the Company's securities' being below the IPO offer price (EUR 22.50) (positive financial effect) and for the benefit of the shareholders (to increase the return per share).
2	The maximum number of ORS to be acquired.	958,167 units of ORS (i.e., equal to a reserve formed for the acquisition of own ORS (EUR 14,659,965.00) divided by the minimum ORS purchase price), corresponding to approximately 1.29% of total number of ORS.	Capped by the size of the reserve for the acquisition of ORS which is proposed to be formed at the Ordinary General Meeting of Shareholders on 29 March 2022, which according to the national law is only allowed to be formed during the Ordinary General Meeting of Shareholders.  If the Company would acquire the maximum number of ORS, its proportion of treasury shares would increase from 1.67% (formed after the acquisition of own ORS during December 2021) to 2.55%.
3	The period within which the company may acquire its own ORS (cannot be longer than 18 months).	18 months after the date of adoption of this decision.	The longest period allowed by Law on Companies of the Republic of Lithuania. However, the Company, in the absence of unforeseen or significant changes in circumstances, intends to initiate the procedures of acquiring its own ORS shortly after the decision of the Extraordinary General Shareholders Meeting.
4	Maximum and minimum ORS purchase price.	Minimum ORS purchase price: EUR 15.30.  Maximum ORS purchase price: EUR 22.50.	Minimum purchase price: equal to the lowest security closing price either in Nasdaq Vilnius or London Stock Exchanges during the period from the admission to the exchanges to the notice of the General Meeting of Shareholders, i.e., from 7 October 2020 to 7 March 2022 (inclusive) (source: Thomson Reuters Eikon) with 10% discount applied, related to the risk of volatility

			<p>in the capital markets, primarily caused by the geopolitical situation in the region.</p> <p>The lowest closing price was captured on 7 March 2022 in the London stock exchange, equal to EUR 17.00. After applying to it a 10% discount, related to the risk of volatility in the capital markets, minimum ORS purchase price equalled to EUR 15.30. Additionally, the Company notices that the OSR purchase price does not reflect the Company's view on its fair value.</p> <p>Maximum purchase price: equal to the IPO offer price (EUR 22.50) to ensure the positive financial effect.</p>
5	Not applicable.	<p>To authorize management board of the Company to make decisions on the acquisition of the Company's own ORS, including:</p> <p>5.1. organizing the acquisition of own ORS through Nasdaq Vilnius tender auction platform (<a href="#">link</a>);</p> <p>5.2. determine the procedure, time, number of shares and price, as well as to perform other actions related to the acquisition of own ORS, in accordance with the conditions set in this decision of general meeting of shareholders and requirements of legal acts;</p> <p>5.3. to initiate and carry out the acquisition of own ORS as many times as the management board deems necessary by a separate decision of the management board.</p>	<p>Arguments stated in the order of the proposed resolution:</p> <p>5.1. based on the article 54 paragraph 1 of Law on Companies of the Republic of Lithuania stating that when acquiring its own ORS, the company must ensure equal opportunities for all shareholders to transfer its ORS to the company;</p> <p>5.2. detailed information about acquisition of own ORS to be published through the stock exchanges once the Management Board of the Company makes concrete decisions;</p> <p>5.3. might be relevant to the situation if the maximum number of ORS to be acquired, which is provided for in the proposed resolution of the general meeting of shareholders above, was not acquired during the single acquisition of ORS.</p>
6	The procedure for selling own ORS and the minimum selling price, unless the purpose of the acquisition is related to share option programme or conversion of debt instruments.	Not applicable.	<p>Since the purpose of the acquisition of own ORS is reducing the Company's share capital by annulling the Company's own ORS, there is no need to make a decision on the procedure for selling own ORS and the minimum selling price.</p>

## Annex 4: Arguments regarding the proposal to approve the new wording of the Articles of Association

The Company proposes for the OGM of Shareholders to approve the revised wording of the Articles of Association of the parent company, where amendments are the following:

1. It is proposed to, in pursuit of efficiency, revise the Company's Articles of Associations and establish that the Company's Supervisory Board would no longer have to submit its opinion to the Company's Management Board on all candidates to Group companies' bodies as it is currently established in the Articles of Associations of the Company. It is proposed to establish that the Company's Supervisory Board would submit its opinion to the Company's Management Board regarding the candidacies of Group CEO, management and/or supervisory body members of AB "Energijos skirstymo operatorius", AB "Ignitis gamyba", UAB "Ignitis" and UAB "Ignitis renewables".

It must be noted that the selection of candidates to the collegial bodies of state-owned companies or their subsidiaries is regulated by the Resolution No. 631 of the Government of the Republic of Lithuania of 17 June 2015 "On the Approval of the Description of Selection of Candidates to the Collegial Supervisory or Management Body of Public or Municipal Company, State- or Municipality-Owned Company or Its Subsidiary".

It is also proposed to revise the competence of the Company's Management Board by establishing that, when approving candidates of the management and/or supervisory bodies of the Company's group of companies, the Company's Management Board shall take into account the opinion of the Company's Supervisory Board, where the Company's Supervisory Board has the competence to provide its opinion.

2. It is proposed to amend the related-party transaction materiality assessment criteria by establishing that the value of lending, collateral of obligations and collateral of obligations services transactions, short-term lending transactions, concluded between companies of the Group of Companies of the Company using Intragroup borrowing platform between the parent company and the subsidiary of the Group of Companies shall not exceed 1/10 of the value of the assets indicated in the latest published audited balance sheet of the Company.

The Company and the Group of Companies operate in a highly dynamic environment and perform strategically significant activities. Both the Company and the Group of Companies face situations when arises a need to react quickly not only to the changing situation in the market but also to meet the strategic energy security assurance needs for the state. The events in the latest months (price spike and volatility in energy commodities, geopolitical tensions, war in Ukraine) showcased that, in certain situations, there is a need to act quicker than it is possible under the current transaction value threshold established in the Articles of Associations of the Company (1/50 of the Company's share capital), which, if exceeded in a related-party transaction, requires the opinion of the Audit Committee and the approval of the Company's Supervisory Board.

Speed is vital for short-term loans concluded between companies of the Group of Companies of the Company using Intragroup borrowing platform, as well as lending, collateral of obligations and collateral of obligations services transactions between the parent company and the subsidiary of the Group of Companies of the Company (including subsequent subsidiaries).

Short-term and long-term lending, collateral of obligations and collateral of obligations services transactions are critical when ensuring the execution of the main activities of the Company and/or Group of Companies, which in itself is vital to the energy security of the Republic of Lithuania.

Considering the above, it is proposed to increase the materiality threshold (which, if exceeded, would require the opinion of the Audit Committee and approval of the Company's Supervisory Board) from 1/50 of the Company's share capital to 1/10 of the value of the assets indicated in the latest published audited balance sheet of the Company for the transactions listed below:

- Short-term loans concluded between companies of the Group of Companies of the Company using Intragroup borrowing platform;
- Lending, collateral of obligations and collateral of obligations services transactions between the parent company and the subsidiary of the Group of Companies of the Company (including subsequent subsidiaries).

This amendment would significantly shorten the necessary decision adoption process and hasten the ability to ensure smooth performance of the activities of the Company and the companies of the Group of Companies. The risk related to the amendment arising from price compliance with the arm's length principle, which is related to lending, collateral of obligations and collateral of obligations services transactions, would continue to be managed by using the transfer pricing methodology prepared by an independent audit company to determine transaction pricing and by providing the pricing applied to the aforementioned transactions at the end of financial year to an independent audit company for revision (including the preparation of documentation of the transaction pricing, which is based on the latest available comparable data of transactions that have actually taken place).

## Annex 5: The new wording of the AB “Ignitis grupė” Articles of Association

### AB IGNITIS GROUP

#### ARTICLES OF ASSOCIATION

##### CHAPTER I GENERAL PROVISIONS

1. The name of the company is AB “Ignitis grupė” (hereinafter – the Company).
2. Legal form of the Company – public limited liability company.
3. The Company is an autonomous private legal entity of limited liability established for an unlimited period and operating under the laws of the Republic of Lithuania. The authorized capital of the Company is divided into units which are known as shares.
4. In the course of its activities the Company observes the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other legislation regulating the activities of public limited companies, as well as these Articles of Association.
5. The Company, together with the legal entities which are either directly or indirectly controlled by it, constitutes the Group of Companies of the Company. The Company is the parent Company of the Group of Companies of the Company. The Company shall not be liable for the obligations of the Group of Companies of the Company, while the Group of Companies of the Company shall not be liable for the obligations of the Company.
6. The financial year of the Company corresponds to the calendar year.
7. The bodies of the Company are the General Meeting of Shareholders (hereinafter - the General Meeting), the head of the Company – the Chief Executive Officer of the Company (hereinafter – the Chief Executive Officer), a collegial supervisory body of the Company – the Supervisory Board (hereinafter – the Supervisory Board) and a collegial management body of the Company – the Board (hereinafter – the Board).

##### CHAPTER II OBJECTIVES AND OBJECTS OF THE COMPANY'S ACTIVITIES

8. The objectives of the Company's activities: to execute the functions of patronage of the Group of Companies of the Company and pursue the objectives of the Group of Companies set out in the National Energy Independence Strategy, approved by the 26 June 2012 resolution of the Seimas of the Republic of Lithuania No. XI-2133 “On the Approval of the National Energy Independence Strategy”, and legal acts regulating the Company's activity ensuring socially responsible enhancement of the long-term value of the Group of Companies.
9. Objects of the Company's activities:
  - 9.1. Performance analysis of the companies of the Group of Companies of the Company, the exercise of shareholder rights and obligations, setting operational guidelines and operating rules, coordination of activities;
  - 9.2. provision of services to the companies of the Group of Companies of the Company, and financing of the companies of the Group of Companies of the Company;
  - 9.3. representation of the Group of Companies of the Company.
10. The Company has the right to engage in activities that do not contradict its objectives of activities and the laws of the Republic of Lithuania.
11. The bodies of the Company, in compliance with the provisions of laws, other legislation, these Articles of Association and the internal documents of the Company, must pursue the objectives of the Company's activities and act for the benefit of the Company and all shareholders of the Company. In carrying out its activities, the Company also seeks an appropriate return on the capital invested by the shareholder.
12. The Company can be a participant in other legal entities (except for associations) only subject to the approval by the General Meeting. When managing the companies of the Group of Companies of the Company, the Company determines the following of the Company's Group of Companies:
  - 12.1. operational guidelines and operational rules;
  - 12.2. annual financial plans;
  - 12.3. the annual rate of return on assets;

12.4. maximum amounts of debt obligations;

12.5. other activity parameters;

and addresses other issues of the management of the Group of Companies of the Company, insofar as this is not contrary to law.

### **CHAPTER III AUTHORIZED CAPITAL AND SHARES OF THE COMPANY**

13. The authorized capital of the Company is EUR 1 658 756 293,81 (one billion six hundred and fifty-eight million seven hundred and fifty-six thousand two hundred and ninety-three euros and eighty-one euro cent), divided into 74 283 757 (seventy four million two hundred eighty three thousand seven hundred fifty seven) ordinary registered shares with the nominal value of 22,33 Eur (twenty two euros, thirty three euro cents) per each share.

14. The Company issues shares of one class – ordinary registered shares. All shares of the Company are uncertificated shares. The shares shall be recorded by the entries in the personal securities accounts of the shareholders which are opened and maintained by the Company in accordance with the procedure established by the legal acts regulating the management of securities accounts of shareholders. At the request of the shareholder, the Company must issue a statement from the securities account of the shareholder stating the number of shares and other information established by the legal acts regulating the activities of public limited companies.

### **CHAPTER IV SHAREHOLDERS AND THE RIGHTS OF SHAREHOLDERS**

15. The shareholders of the Company shall have the property and non-property rights laid down in the laws, other legislation and these Articles of Association.

16. The management bodies of the Company create appropriate conditions for the exercise of the rights of the shareholders of the Company.

### **CHAPTER V GENERAL MEETING**

17. The procedure for convocation of the General Meeting is prescribed by the Law on Companies and these Articles of Association.

18. Competence of the General Meeting:

18.1. to change the registered office of the Company;

18.2. to amend the Articles of Association of the Company, except as provided by the Law on Companies;

18.3. to elect and remove the individual members of the Supervisory Board or the Supervisory Board;

18.4. to elect and remove an auditor or an audit firm to carry out an audit of the financial statements of the Company and of the consolidated financial statements of the Group of Companies of the Company, to set the conditions of payment for audit services;

18.5. to set the class, number, par value and minimum issue price of the shares issued by the Company;

18.6. to adopt decisions to convert the Company's shares of one class to the shares of another class, to approve the share conversion procedure;

18.7. to approve the set of the annual financial statements of the Company and of the annual consolidated financial statements of the Group of Companies;

18.8. to approve the set of the interim financial statements prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year;

18.9. to adopt decisions on the distribution of profit (loss);

18.10. to adopt decisions on the distribution of dividends for a period which is shorter than the financial year;

18.11. to decide on the formation, use, reduction and liquidation of reserves;

18.12. to adopt decisions to issue convertible bonds;

18.13. to adopt decisions to revoke the pre-emption right for all shareholders to acquire the Company's shares or convertible bonds of a specific issue;

18.14. to adopt decisions to increase the authorized capital;

18.15. to adopt decisions to decrease the authorized capital, except as provided by the Law on Companies;

18.16. to adopt decisions for the Company to acquire its own shares;

18.17. to adopt decisions on reorganization or separation of the Company, and approve the terms of reorganization or separation, except as provided by the Law on Companies;

18.18. to adopt decisions to reorganise the Company;

18.19. to adopt decisions on the restructuring of the Company;

18.20. to adopt decisions to liquidate the Company, to cancel the liquidation of the Company, except as provided by the Law on Companies;

18.21. to elect and remove liquidator of the Company, except as provided by the laws;

18.22. to adopt decisions on setting the terms and conditions of the contracts provided for in Clauses 26 and 33 of these Articles of Association with the members of the Supervisory Board and the Chairman of the Supervisory Board on activities in the Supervisory Board, and on identification of confidential information and its protection, appointment of proxy authorized to sign these contracts on behalf of the Company;

18.23. to adopt decisions on the payment of remuneration to the independent members of the Supervisory Board and on the amount to be paid;

18.24. to approve or disapprove the Annual Report of the Company and the Consolidated Annual Report of the Group of Companies of the Company;

18.25. to approve or disapprove the decisions of the Board which are provided for in sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 of these Articles of Association;

18.26. to elect and remove the members of the Company's audit committee (hereinafter – the Audit Committee) or the Audit Committee, ensuring that the majority of the members of the Audit Committee are independent members;

18.27. to adopt decisions on setting the terms and conditions of the contracts regarding activities of the members and Chair of the Audit Committee, and on confidential information protection, appointment of authorized person to sign these contracts on behalf of the Company;

18.28. to approve the regulations of the Audit Committee;

18.29. to deal with other issues of the Law on Companies, its implementing legislation or the Articles of Association which are within the competence of the General Meeting.

19. The General Meeting may adopt decisions and shall be deemed to have taken place if it is attended by the shareholders owning the shares which grant more than 1/2 (half) of all votes.

20. The decision of the General Meeting shall be deemed to have been adopted when more shareholders voted in favour of the decision than against it, except as provided for in this Clause. The decisions stated in Sub-Clauses 18.2, 18.5, 18.6, 18.9 – 18.12, 18.14, 18.15, 18.17 – 18.20 of the Articles of Association shall be adopted by the majority vote of 2/3 (two thirds) of the voting rights carried by the shares of the shareholders participating in the General Meeting. The decision stated in Sub-Clause 18.13 of these Articles of Association shall be adopted by the majority vote of ¾ (three quarters) of the voting rights carried by the shares of the shareholders participating in the General Meeting.

## **CHAPTER VI SUPERVISORY BOARD**

21. The Supervisory Board is a collegial body supervising the activities of the Company.

22. The Supervisory Board consists of 7 (seven) members – natural persons. The Supervisory Board must consist of not less than 1/2 (half) of the independent members. The Supervisory Board is elected by the General Meeting for a term of 4 (four) years. The Supervisory Board or its members shall begin and end their activities in accordance with the procedure and time terms established by the Law on Companies and its implementing legislation.

23. Supervisory Board members must comply with the criteria set forth in Clause 25 of these Articles of Association.

24. Each candidate to the members of the Supervisory Board must provide the General Meeting with a written consent to stand for the office of the member of the Supervisory Board and the Declaration of Interests of the candidate by stating therein all circumstances which may give rise to a conflict of interest between the candidate and the Company. In the light of the new circumstances that could result in a conflict of interest between the member of the Supervisory Board and the Company, the member of the Supervisory Board must immediately notify the Supervisory Board and shareholders in writing of such new circumstances.

25. The following cannot be the member of the Supervisory Board:

- 25.1. Chief Executive Officer;
  - 25.2. the member of the Board;
  - 25.3. the member of the Board, the Head or the administrative employee of the company of the Group of Companies of the Company;
  - 25.4. a member of the supervisory body, management body or an employee of the administration of a legal entity carrying out electricity or gas transmission activities;
  - 25.5. an auditor or an employee of an audit firm who participates and / or has participated in the audit of the set of the Company's financial statements where less than 2 (two) years has elapsed since the audit was carried out;
  - 25.6. a person who, as provided by law, does not have the right to hold this post.
26. Contracts on activities in the Supervisory Board are entered into with the members of the Supervisory Board which set out their rights, duties and responsibilities. By the decision of the General Meeting, the independent members of the Supervisory Board are paid remuneration for activities in the Supervisory Board. The terms and conditions of the contracts of the members of the Supervisory Board on activities in the Supervisory Board are set by the General Meeting.
27. The member of the Supervisory Board may resign from office prior to the expiration of his / her term of office by giving 14-days (fourteen) written notice thereof to the Company.
28. If the member of the Supervisory Board is removed, resigns or for any other reason ceases to hold office, and the shareholders of the Company who own shares granting at least 1/10 (one tenth) of all votes oppose the election of individual members of the Supervisory Board, the Supervisory Board is deprived of its powers and the entire Supervisory Board shall be elected. If individual members of the Supervisory Board are elected, they shall be elected only until the end of the term of the existing Supervisory Board.
29. The Supervisory Board is chaired by its Chairman whom the Supervisory Board elects from among its members. The Chairman of the Supervisory Board shall convene and chair the meetings of the Supervisory Board. If the Chairman of the Supervisory Board is absent or cannot hold office, the meetings of the Supervisory Board shall be convened and chaired by the oldest member of the Supervisory Board.
30. The Supervisory Board has the following competence:
- 30.1. to consider and approve the operational strategy, annual budget and investment policy of the Company and of the Group of Companies of the Company, to analyse and assess information on the implementation of the operational strategy of the Company, to provide this information to the Ordinary General Meeting;
  - 30.2. to elect and remove the members of the Board;
  - 30.3. to supervise the activities of the Board and of the Chief Executive Officer;
  - 30.4. to submit to the General Meeting feedback and suggestions regarding the operational strategy of the Company and of the Group of Companies of the Company, regarding a set of the annual financial statements of the Company and the annual consolidated financial statements of the Group of Companies of the Company, submit proposals for distribution of the Company's profit (loss), and regarding the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company, as well as regarding the activities of the Board and the Chief Executive Officer;
  - 30.5. to submit to the General Meeting feedback and proposals regarding the decision on the project of distribution of dividends for a period shorter than the financial year, the set of the interim financial statements prepared for the purpose of adopting the said decision, and the interim report prepared;
  - 30.6. to submit proposals to the Board and the Chief Executive Officer to revoke their decisions that are in conflict with the laws and other legislation, these Articles of Association or the decisions of the General Meeting;
  - 30.7. to adopt decisions on setting the terms of the contracts provided for in Clause 44 of these Articles of Association with the members of the Board on activities in the Board, including remuneration for work in the Board, and appointment of a person authorized to sign these contracts on behalf of the Company;
  - 30.8. to make proposals and recommendations regarding organization of activities of the Group of Companies of the Company, financial situation, the decisions of the supervisory and management bodies;
  - 30.9. to submit to the Board feedback and suggestions regarding the Company's activities plan ;
  - 30.10. subject to proposal of the Board and / or the Chief Executive Officer; to adopt decisions on the appointment and dismissal of the head of the structural unit performing the internal audit functions of the Company, the approval of his / her job description, promotion and imposition of penalties;



30.11. to submit to the Board an opinion on the nominations of the Chief Executive Officer, of the members of the management and / or supervisory bodies of AB „Energijos skirstymo operatorius“, AB „Ignitis gamyba“, UAB „Ignitis“ and UAB „Ignitis renewables“;

30.12. at the request of the Board and / or the Chief Executive Officer to submit feedback and proposals regarding the decisions adopted or planned to be adopted by the Board and / or by the Chief Executive Officer.

30.13. to consider and submit proposals regarding the auditor or audit firm elected by the General Meeting and the terms of payment for the audit services;

30.14 taking into consideration the conclusion of the company's Audit Committee, to make a decision regarding the Company's transactions planned to be made with an associated party as amended by international financial reporting standards if they:

30.14.1 are made under unusual market conditions and/or;

30.14.2 are not assigned to the Company's usual business activities and/or;

30.14.3 have a material impact on the Company, its finances, assets and liabilities, i.e. the value of the transaction is more than 1/50 of the Company's authorised capital, except for

30.14.3.1. the transactions which are necessary to ensure the Company's main activities;

30.14.3.2. the transactions which must be entered into according to the requirements of legislation;

30.14.3.3. short-term lending transactions, concluded between companies of the Group of Companies of the Company using Intragroup borrowing platform, as well as lending, collateral of obligations and collateral of obligations services transactions between the parent company and the subsidiary of the Group of Companies of the Company (including subsequent subsidiaries), if the value of the transaction referred to in this subparagraph during the financial year does not exceed 1/10 of the value of the assets indicated in the latest published audited balance sheet of the parent Company.

30.15 provide feedback and proposals on Company's draft remuneration policy and draft remuneration report to the general meeting of shareholders and the Board.

30.16. to deal with other issues of the Law on Companies of the Republic of Lithuania, the supervision of activities of the management bodies of the Company and of the companies of the Group of Companies of the Company which are within the competence of the Supervisory Board as stipulated in these Articles of Association and the decisions of the General Meeting.

31. The Supervisory Board shall not be entitled to delegate or transfer the functions which fall within its competence, as stipulated by laws and in these Articles of Association, to other bodies of the Company.

32. The Supervisory Board has the right to request the Board and the Chief Executive Manager to submit documents and information related to the activities of the Company and of the Group of Companies of the Company, and the Board and the Chief Executive Officer must ensure that such documents and information are submitted to the Supervisory Board within a reasonable time.

33. The members of the Supervisory Board must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company and of the Group of Companies of the Company that they have learned when they were the members of the Supervisory Board. Contracts for the protection of confidential information are entered into with the members of the Supervisory Board, the terms of which are approved by the General Meeting.

34. Adoption of decisions of the Supervisory Board:

34.1. The rules of procedure of the Supervisory Board is established by the Rules of Procedure of the Supervisory Board adopted by it.

34.2. The Supervisory Board adopts decisions at the meetings of the Supervisory Board. Minutes shall be taken of the meetings of the Supervisory Board.

34.3. The meetings of the Supervisory Board shall take place at least quarterly. The meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board. The meetings of the Supervisory Board may also be convened by the decision of at least 1/3 (one third) of the members of the Supervisory Board. The Supervisory Board must enable attendance at its meetings and provide explanations to the members of the Board, the Chief Executive Officer, the heads of structural units of the Company, and / or to the members of the supervisory or management bodies of the companies of the Group of Companies of the Company when addressing the issues related to their activities.

34.4. In case of resignation or removal of one or more members of the Board, the Chairman of the Board or the entire Board, a meeting of the Supervisory Board shall be convened, at which new members of the Board or the whole Board shall be elected respectively.

34.5. The Supervisory Board may adopt decisions and its meeting shall be deemed to have been held when more than 1/2 (half) of the members of the Supervisory Board attend the meeting.

34.6. The decision of the Supervisory Board shall be deemed to have been adopted if the majority of the members of the Supervisory Board attending the meeting voted in its favour. In the event of a tie, the Chairman of the Supervisory Board shall have the casting vote. The decision to remove the member of the Board can be adopted if at least 2/3 (two thirds) of the members of the Supervisory Board attending the meeting voted in its favour;

34.7. The members of the Supervisory Board must attend the meetings of the Supervisory Board and vote in favour of or against each issue considered. A member of the Supervisory Board shall not be entitled to refuse to vote or abstain from voting, unless there is a potential conflict of interest between the member of the Supervisory Board and the Company, or on other grounds provided by the legal acts or these. A member of the Supervisory Board has the right to grant a written power of attorney to another member of the Supervisory Board to represent him / her at the meeting of the Supervisory Board..

34.8. The members of the Supervisory Board who are unable to attend directly the meeting of the Supervisory Board must vote in advance in writing or by electronic means if the security of information transmitted is assured and the person who voted can be identified. The members of the Supervisory Board who voted in advance shall be deemed to have participated at the meeting of the Supervisory Board.

35. The Company must ensure appropriate conditions for the work of the Supervisory Board and the members of the Supervisory Board in the Supervisory Board, and must provide technical and organizational means necessary for the work. The functions of servicing the meetings of the Supervisory Board are performed by the Company's employees responsible for the organization of decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

36. The committees of the Supervisory Board:

36.1. The nomination and remuneration, supervision of risk management (hereinafter – the Committee) committees are formed and operate in accordance with the regulations of the Committee approved by the Supervisory Board. Other committees may be set up if necessary. The functions and operational guidelines of the Committees shall be established and approved by the Supervisory Board.

36.2. The Committees shall examine the issues assigned to their competence in the regulations of the Committees and the issues referred to the relevant Committee by the Supervisory Board and shall submit proposals to the Supervisory Board on these issues. The Supervisory Board, taking into account the proposals of the Committees, adopts decisions within its competence and is responsible for these decisions.

36.3. The Committees shall be set up by the decision of the Supervisory Board for a term of 4 (four) years of at least 3 (three) members. Where individual members of the Committee are elected, they shall be elected only until the end of the term of the existing Committee. The restrictions provided for in Clause 25 of these Articles of Association shall apply to the members of the Committees. Not less than 1/3 (one third) of the members of the relevant Committee must be independent, unless the law provides for a greater number of independent members. A member of the Supervisory Board shall be appointed to hold the office of the Chairman of the Committee. If a member of the Supervisory Board is removed, resigns or for any other reason ceases to be a member of the Supervisory Board, he / she shall be deprived of the office in the Committee;

36.4. The Committees shall prepare and submit to the Supervisory Board at least every 6 (six) months a report on their activities;

36.5. The contracts can be entered into with the members of the Committees for the activities in the relevant Committee, which, inter alia, provide for the rights, duties and responsibilities of the members of the Committee. By the decision of the Supervisory Board, the independent members of the Committees can be paid remuneration which cannot exceed the amount of remuneration for an independent member of the Supervisory Board for his / her activities in the Supervisory Board which has been set by the General Meeting. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Committee for the members of the Committees.

## **CHAPTER VII THE BOARD**

37. The Board is a collegial management body of the Company.

38. The Board is elected and revoked by the Supervisory Board in accordance with the procedure set forth in these Articles of Association and legal acts. The Board is accountable to the Supervisory Board and the General Meeting.

39. The Board consists of 5 (five) members who are elected for a term of 4 (four) years. The Board and its members shall commence and terminate their activities in accordance with the procedure and within the time limits established by the Law on Companies and other legal acts.

40. The members of the Board must comply with the requirements set forth in Clause 42 of these Articles of Association.

41. Each candidate for Board membership must provide the Supervisory Board with a written consent to stand as a candidate of the members of the Board and the declaration of interests of the candidate, by stating therein all circumstances which may give rise to a conflict of interest between the candidate and the Company. In the event of new circumstances that could result in a conflict of interest between the member of the Board and the Company, the member of the Board must immediately notify the Board and the Supervisory Board in writing of such new circumstances.

42. The following cannot be a member of the Board:

42.1. a person referred to in Sub-Clauses 25.4 and 25.5 of these Articles of Association;

42.2. a member of the Supervisory Board;

42.3. a member of the Committee;

42.4. a person who is not legally entitled to hold such office.

43. The members of the Board cannot do other work or hold other positions which are incompatible with their activities on the Board, including executive positions in other legal entities (except for positions within the Company and the Group of Companies of the Company), work in civil service, statutory service. The members of the Board may hold other office or do other work, except for positions within the Company and other legal entities of which the Company is a member, and may carry out pedagogical, creative, or authorship activities only with the prior consent of the Supervisory Board.

44. Contracts shall be entered with the members of the Board before they take office for the activities in the Board, which provide for their rights (including the right to remuneration for the activities in the Board if the decision to pay such remuneration is adopted), duties and responsibilities. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Board.

45. The Board elects the Chairman of the Board from its members.

46. If the Board is removed from office, resigns or for other reasons ceases to hold office before the expiry of the term, a new Board shall be elected for the new term of office of the Board. Individual members of the Board shall only be elected until the end of the term of office of the existing Board.

47. A member of the Board may resign from office before the end of his /her term of office by giving 14-days (fourteen) written notice to the Company in accordance with the procedure established by laws.

48. The competence of the Board, the procedure of decision making, election and removal of the members of the Board is established by the Law on Companies, its implementing legal acts, these Articles of Association and the Rules of Procedure of the Board.

49. The Board considers and approves:

49.1. the operational plan of the Company;

49.2. the remuneration report of the Company;

49.3. the management (organizational) structure of the Company, a list of positions and the maximum number of posts;

49.4. the positions to which the staff are recruited through the tender procedure;

49.5. the Regulations of the Company's affiliates and representative offices;

49.6. a list of confidential information and trade (industrial) secrets.

50. The Board analyses and assesses:

50.1. the draft operational strategy of the Company and of the Group of Companies of the Company provided by the Chief Executive Officer of the Company, and information about the implementation of operational strategy of the Company and of the Group of Companies of the Company;

50.2. organization of the activities of the Company and the Group of Companies of the Company;

50.3. the financial situation of the Company and of the Group of Companies of the Company;

50.4. the results of economic activities of the Company, estimates of revenue and expenses, inventory data and other accounting data of changes in assets;

50.5. draft remuneration policy submitted by the Chief Executive Officer;

50.6. the annual budget of the Company and the Group of Companies of the Company and submits them to the Company's Supervisory Board for approval.

51. The Board considers and approves the Annual Report of the Company, the consolidated Annual Report of the Group of Companies of the Company, the interim Report, also analyses and assesses a set of annual financial statements of the Company, a set of consolidated annual financial statements of the Group of Companies of the Company, a set of interim financial statements of the

Company prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year, the distribution of the Company's profit (loss), and the decision regarding the projects of dividends for a period which is shorter than the financial year, and submits these documents to the Supervisory Board and the General Meeting.

52. The Board shall adopt decisions on the entry into the following transactions (except where transactions that meet these criteria are provided for in the operational budget of the Company):

52.1. investment, transfer, lease of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated separately for a type of each transaction);

52.2. purchase of non-current assets at a price higher than EUR 3,000,000 (three million);

52.3. pledge or mortgage of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated for the total amount of transactions);

52.4. surety or guarantee of fulfilment of obligations of other persons in the amount of more than EUR 3,000,000 (three million);

52.5. money lending (except for investing the Company's funds which shall be executed in accordance with the procedure for investing the Company's funds set by the Board) or borrowing, including, but not limited to, decisions to enter into any credit (loan) agreements and / or modification of the terms of the existing credit (loan) agreements;

52.6. entry into other transactions with the value exceeding 3,000,000 (three million) euros.

53. when adopting the decisions referred to in Clause 52 of these Articles of Association, the Board shall approve the material terms of these transactions.

54. The Board shall adopt decisions regarding:

54.1. of the Company becoming a founder, participant of other legal entities;

54.2. establishment of affiliates and representative offices of the Company;

54.3. approval of nominations of the supervisory or management bodies of the companies of the Group of Companies of the Company, of the Company's affiliates and representative offices having regard to the opinion provided by the Supervisory Board, when it is provided in accordance with Sub-Clause 30.11 of these Articles of Association;

54.4. approval of the Articles of Association of companies in which the Company is a shareholder;

54.5. the following of the companies of the Group of Companies of the Company of strategic and significant importance to national security, which carry out manufacturing, distribution, supply activities in the energy sector, as well as of companies directly managed by the Company which carry out activities in the electricity production sector:

54.5.1. the transfer, pledge, other restriction or disposal of the shares or the rights attached thereto;

54.5.2. increase, decrease of the authorized capital or other actions that may alter the structure of the authorized capital (e.g. issue of convertible bonds);

54.5.3. reorganization, separation, restructuring, liquidation, reformation or other acts changing the status of these companies;

54.5.4. the transfer of a business or a substantial part of it.

54.6. the issues of establishing and managing the operational guidelines and rules of the companies of the Group of Companies of the Company, common policies of the Group of Companies, annual financial plans, annual rate of return on assets, the maximum amounts of debt obligations, as well as other operational parameters of the companies of the Group of Companies of the Company;

54.7. participation and voting in the General Meetings of Shareholders of the companies of which the Company is a shareholder. The Board appoints a person to implement the decision of the Board at a General Meeting of Shareholders.

55. The Board shall adopt decisions:

55.1. to issue the Company's bonds (except for convertible bonds);

55.2. regarding other issues that fall within the competence of the Board, as well as regarding the issues (including issues regarding entry into transactions) for which the Board is approached by the Chief Executive Officer.

56. Decisions of the Board referred to in Sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 (except the decisions on the increase, decrease of the authorized capital of companies directly managed by the Company, which do not have a strategic and significant importance to national security, which carry out activities in the electricity production sector) of these Articles of Association require the approval of the General Meeting.

57. If these Articles of Association, the Law on Companies or other legal acts require the approval of the General Meeting for decisions of the Board, decisions of the Board can be implemented only after an approval of the General Meeting has been obtained. The approval of the General Meeting does not exclude responsibility of the Board for the decisions adopted.

58. The Board shall be responsible for convening and organizing the General Meetings in a timely manner.

59. Taking into account the opinion of the Supervisory Board, the Board elects and removes the Chairman of the Board, the Chief Executive Officer, determines the Chief Executive Officer's salary, other terms and conditions of his employment contract, approves job regulations, promotes him and imposes penalties in accordance with the procedure established by the Law on Companies, its implementing legal acts and these Articles of Association.

60. The Chairman of the Board elected by the Board shall also be appointed as the Chief Executive Officer. In the event of removal from office, the General Manager shall also be removed from office of the Chairman of the Board.

61. All members of the Board shall have equal rights and obligations.

62. The Board shall act in accordance with the legal acts regulating the activities of the companies, the Articles of Association, the decisions of the General Meeting, the Supervisory Board and the Rules of Procedure of the Board.

63. The members of the Board must keep in confidentiality commercial (industrial) secrets and confidential information of the Company and the group of companies of the Company which they have become aware of as the members of the Board.

64. Adoption of the Board decisions and the rules of procedures:

64.1. The rules of procedure of the Board shall be established by the Rules of Procedure of the Board adopted by the Board.

64.2. Each member of the Board shall be responsible for analysis of the matters within his / her competence – mentoring area directly related to the work in the Board, which are subject to appropriate decision to be adopted, and submitting all necessary information to other members of the Board in order for the necessary decisions of the Board to be adopted in a timely manner. The specific areas of supervision of the members of the Board shall be defined in the rules of procedure of the Board.

64.3. The Board shall adopt its decisions in the Board meetings. Minutes of the Board meetings must be taken. The Board shall organize its activities in accordance with the procedure laid down in the Rules of Procedure of the Board.

64.4. Meetings of the Board must be held at least once every 2 (two) weeks, if the rules of procedure of the Board do not establish otherwise.

64.5. If the Chief Executive Officer resigns or is removed, the Board shall immediately decide on the removal of the Chairman of the Board.

64.6. Meetings of the Board shall be convened and chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the oldest member of the Board shall convene and chair the meetings of the Board.

64.7. The Board may adopt decisions and its meeting shall be deemed to have been held when at least 4 (four) members of the Board attend the meeting. The members of the Board having voted in advance shall be deemed to be present at the meeting.

64.8. decision of the Board shall be deemed to have been adopted if the majority of the members of the Board attending the meeting voted in favour thereof. In the event of a tie, the Chairman of the Board shall have the casting vote.

64.9. The members of the Board must attend the meetings of the Board and vote in favour of or against each issue considered. A member of the Board shall not be entitled to refuse to vote or abstain from voting, unless there is a potential conflict of interest between the member of the Board and the Company. A member of the Board has the right to grant a written power of attorney to another member of the Board to represent him / her at the meeting of the Board.;

64.10. The members of the Board who are unable to attend directly the meeting of the Board must give prior written notice thereof or vote in advance in writing or by electronic means if the security of information transmitted is assured and the person who voted can be identified.

65. The Company must ensure appropriate conditions for the work of the Board and the members of the Board in the Board providing technical and organizational means necessary for the work. The meetings of the Board are serviced by the Company's employees responsible for the organization of decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

## **CHAPTER VIII CHIEF EXECUTIVE OFFICER**

66. The Chief Executive Officer is a sole management body of the Company.

67. The Chief Executive Officer acts on behalf of the Company and enters into transactions according to the principles of one-man management, except as provided by the Law on Companies, its implementing legislation and these Articles of Association.

68. The competence of the Chief Executive Officer, the procedure of election and removal, terms of office are laid down in the Law on Companies, its implementing legislation and these Articles of Association.

69. The Chief Executive Officer shall take up his / her duties from the date of his /her election, unless provided otherwise in the employment contract entered into with the Chief Executive Officer. The employment contract with the Chief Executive Officer shall be signed by the member of the Board authorized by the Board.

70. The Chief Executive Officer shall have the right to resign from the office by informing the Board and the Supervisory Board in writing.

71. The Chief Executive Officer shall act in accordance with the laws, other legal acts, these Articles of Association, the decisions of the General Meeting, the decisions of the Supervisory Board and the Board and his / her working regulations.

72. The Chief Executive Officer must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company that became known to him / her in the course of his / her duties in the Company.

73. The Chief Executive Officer:

73.1. manages the Company;

73.2. organizes day-to-day activities of the Company;

73.3. ensures the implementation of the Company's operational strategy;

73.4. implements the decisions of the Board;

73.5. makes decisions regulating the activities of the Company;

73.6. recruits and dismisses employees, concludes and terminates employment contracts with them, promotes them and imposes penalties on them;

73.7. opens and closes accounts in banks or other institutions of payment service providers and disposes of the Company's funds therein;

73.8. issues authorizations and procurations;

73.9. ensures the protection of the Company's property / assets, creation of appropriate working conditions for the Company's employees, protection of the Company's trade secrets and confidential information;

73.10. submits proposals to the Board regarding the annual budget of the Company and the Group of Companies of the Company;

73.11. enters into a service provision contract with an auditor or an audit firm and ensures the submission of the Company's documents required for the audit to be carried out.;

73.12. shall be responsible for:

73.12.1. preparation of the annual financial statements of the Company and the sets of annual consolidated financial statements of the Group of Companies, preparation of the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company;

73.12.2. drafting a decision on the distribution of dividends for a period shorter than the financial year, formation of the set of interim financial statements and preparation of interim report to adopt the decision on the distribution of dividends for a period shorter than the financial year;

73.12.3. management of shareholders' personal securities accounts and registration of owners of certificated shares in the Company, except where accounting for the book-entry shares has been delegated to the account managers;

73.12.4. submitting information and documents to the General Meeting of Shareholders, the Supervisory Board and the Board in the cases stipulated by the Law on Companies or at their request;

73.12.5. submitting the Company's documents and data to the Registrar of the Register of Legal Entities;

73.12.6. submitting the documents of the Company to the Bank of Lithuania and the Central Securities Depository;

73.12.7. public disclosure of information laid down in the Law on Companies in the source specified in these Articles of Association;

73.12.8. submitting information to shareholders;

73.12.9. preparation of the draft annual budget of the Company and the the Group of Companies of the Company;

73.12.10 drafting the remuneration policy and remuneration report and making public announcement of the approved remuneration policy and remuneration report on the Company's website.

73.13. carries out other functions set forth in laws, these Articles of Association, the decisions of the General Meeting, in the resolutions of the Supervisory Board, the Board and staff regulations of the Chief Executive Manager, and resolves other issues in connection with the activities of the Company which under the laws and these Articles of Association do not fall within the competence of other bodies of the Company.

74. The Chief Executive Officer shall participate and vote in the General Meetings of Shareholders of the companies of which the Company is a shareholder, unless the Board orders the implementation of the decisions of the Board regarding participation and voting in the General Meetings of Shareholders by another person.

75. If under the laws or these Articles of Association the decision and / or approval of the General Meeting and / or of the Board is required in order for the transactions of the Company to be entered into or other decisions to be adopted, the Chief Executive Officer may enter into the Company's transactions or adopt other decisions when such decision and / or approval of the General Meeting and / or of the Board has been adopted.

## **CHAPTER IX THE AUDIT COMMITTEE**

76. The Audit Committee consists of 5 (five) members, which are appointed by the General Meeting for a period not exceeding 4 (four) years, ensuring that the majority of the members of the Audit Committee are independent members. Two candidates for the Audit Committee are nominated by the Supervisory Board.

77. The Chair of the Audit Committee is elected by the members of the Audit Committee from among their independent members.

78. The members of the Audit Committee must comply with the independence, qualification and other requirements specified in Resolution No. 03-14 of the Board of the Bank of Lithuania "Regarding the Approval of the Description of Requirements for Audit Committees" of 24th January 2017.

79. The Audit Committee is responsible for preparation and submission of objective conclusions or proposals regarding the operation of the audit and internal control system to the Company.

80. The competence of the Audit Committee includes, but is not limited to:

80.1. supervision of the financial reporting and auditing processes of the Group of companies of the Company;

80.2. monitoring compliance with the principle of independence of auditors and audit firms of Group of companies of the Company;

80.3. monitoring the effectiveness of the internal control, risk management and internal audit systems and processes of Group of companies of the Company;

80.4. preparation and submission of recommendations related to the selection, appointment, re-appointment and removal of the external audit company and the terms of the contract with the external audit company to the Company;

80.5. ensuring the effectiveness of the internal audit function in the Group of Companies of the Company;

80.6. providing opinion on transactions with related parties as provided for in Article 37<sup>2</sup> of the Law on Companies of the Republic of Lithuania to the Company.

81. The Audit Committee acts as the audit committee of the entire Group of Companies of the Company.

82. The regulations of the Audit Committee are approved by the General Meeting.

## **CHAPTER X PLANNING OF COMPANY'S ACTIVITY, AUDIT AND FINANCES**

83. The activity of the Company and the Group of Companies of the Company is planned by preparing the annual budget of the Company and the Group of Companies of the Company, which shall be approved by the Supervisory Board. The Chief Executive Officer shall be responsible for the preparation of the draft annual budget of the Company and the Group of Companies of the Company.

84. A sets of financial statements of the Company and consolidated financial statements of the Group of Companies of the Company must be prepared in accordance with the International Financial Reporting Standards. The General Meeting shall have the exclusive right to elect and remove an auditor or an audit firm and to determine the terms of payment for the audit services.

85. The structural unit performing internal audit functions of the Company is accountable to the Supervisory Board.

## **CHAPTER XI PROCEDURE OF NOTIFICATION PUBLICATION**

86. The Company's notices on convening the General Meeting, regulated information as defined in the Law on Securities of the Republic of Lithuania, which the Company is required to disclose under the Law on Securities, are published in accordance to this law in the Central Regulated Information Database and on the Company's website.

87. Other information and notices not specified in Clause 86 of the Articles of Association, which the Company must publish publicly, shall be published in an electronic publication for public announcements issued by the manager of the Register of Legal Entities in accordance with the procedure established by the Government.

## **CHAPTER XII PROCEDURE OF DISCLOSURE OF DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS, THE SUPERVISORY BOARD AND THE BOARD**

88. At the Shareholder's written request, the Company, at the latest within 7 (seven) days of the date of receipt of request, must give access to the following documents: these Articles of Association, sets of the Company's annual financial statements and of the annual and interim consolidated financial statements of the Group of Companies of the Company, the Annual, Interim Reports of the Company and the consolidated Annual Reports of the Group of Companies of the Company, the Auditor's conclusions, audit reports on financial statements, Minutes of the General Meetings, of the meetings of the Supervisory Board and of the Board, or other documents which form the decisions of the bodies of the Company, proposals or feedback from the Supervisory Board to the General Meetings, lists of shareholders, lists of the members of the Supervisory Board and of the Board, as well as to other documents of the Company which are required by law to be made public, unless such documents contain trade (industrial) secret or confidential information, and / or provide with copies of the mentioned documents.

89. The Company must enable access by the shareholder to all other information of the Company not specified in Clause 88 of these Articles of Association, which at the shareholder's request must be systematized according to the reasonable criteria specified by the shareholder and / or must provide copies of the documents, provided that such information and documents, including information and documents relating to the Company's trade (industrial) secret and confidential information, are necessary for the shareholder in fulfilling the requirements provided for in other legal acts, and the shareholder safeguards confidentiality of such information and documents. The Company shall refuse to provide copies of the documents to the shareholder if the requesting shareholder cannot be identified. The refusal to provide a shareholder with access to and / or provide copies of the documents shall be executed by the Company in writing if the shareholder so requests.

90. Any member of the Supervisory Board or the Board has the right of access to all documents of the Company and of the companies of the Group of Companies of the Company, as well as to all information of the Company and of the companies of the Group of Companies of the Company (including information on draft decisions of the management bodies which have not been yet adopted, and information on planned transactions and investments), which, at the request of the person receiving the information, must be systematised according to reasonable criteria specified by such person. If the Company does not have the documents or information of the companies of the Group of Companies of the Company requested by the members of the Supervisory Board or the Board, the Chief Executive Manager must take immediate action in order for the Company to obtain such documents or information. Information and documents provided in accordance with this Clause must be submitted immediately, but not later than within 5 (five) working days of the date of receipt of the respective requirement. The entities referred to in this Clause shall have the right to demand and the Company shall have the duty to ensure that certain specific information and documents are provided periodically without separate request of the relevant entity.

91. All information and documents specified in Clauses 88 – 90 of these Articles of Association shall be provided to the shareholders, the members of the Supervisory Board and the Board free of charge.

## **CHAPTER XIII AFFILIATES AND REPRESENTATIVE OFFICES OF THE COMPANY**



92. The affiliates and / or representative offices of the Company shall be established, and their activities shall be terminated by decision of the Board. The number of the affiliates and / or representative offices of the Company is unlimited.

93. The affiliates and / or representative offices of the Company shall operate according to the regulations of the affiliates and / or representative offices approved by the Board.

94. The Heads of the affiliates and / or representative offices of the Company shall be appointed and removed in accordance with Sub-Clause 54.3 of these Articles of Association, the regulations of the affiliates and / or representative offices approved by the Board.

#### **CHAPTER XIV FINAL PROVISIONS**

95. These Articles of Association of the Company shall be amended in accordance with the procedure established by the Law on Companies.

96. When the General Meeting adopts the decision to amend the Articles of Association of the Company, the full text of the amended Articles of Association of the Company shall be drawn up and the person authorized by the General Meeting shall sign it.

97. These Articles of Association shall become effective as of the day of their registration in the Register of Legal Entities.

98. If the provisions of the laws change and as a result of the contradictions of the provisions of these Articles of Association with the changed laws, the laws must be followed until the Articles of Association of the Company are amended.

Date and place when and where the Articles of Association have been signed

The person authorized by the General Meeting:

The Chief Executive Officer

Darius Maikštėnas

## AB IGNITIS GROUP

### ARTICLES OF ASSOCIATION

#### CHAPTER I GENERAL PROVISIONS

1. The name of the company is AB “Ignitis grupė” (hereinafter – the Company).
2. Legal form of the Company – public limited liability company.
3. The Company is an autonomous private legal entity of limited liability established for an unlimited period and operating under the laws of the Republic of Lithuania. The authorized capital of the Company is divided into units which are known as shares.
4. In the course of its activities the Company observes the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other legislation regulating the activities of public limited companies, as well as these Articles of Association.
5. The Company, together with the legal entities which are either directly or indirectly controlled by it, constitutes the Group of Companies of the Company. The Company is the parent Company of the Group of Companies of the Company. The Company shall not be liable for the obligations of the Group of Companies of the Company, while the Group of Companies of the Company shall not be liable for the obligations of the Company.
6. The financial year of the Company corresponds to the calendar year.
7. The bodies of the Company are the General Meeting of Shareholders (hereinafter - the General Meeting), the head of the Company – the Chief Executive Officer of the Company (hereinafter – the Chief Executive Officer), a collegial supervisory body of the Company – the Supervisory Board (hereinafter – the Supervisory Board) and a collegial management body of the Company – the Board (hereinafter – the Board).

#### CHAPTER II OBJECTIVES AND OBJECTS OF THE COMPANY'S ACTIVITIES

8. The objectives of the Company’s activities: to execute the functions of patronage of the Group of Companies of the Company and pursue the objectives of the Group of Companies set out in the National Energy Independence Strategy, approved by the 26 June 2012 resolution of the Seimas of the Republic of Lithuania No. XI-2133 “On the Approval of the National Energy Independence Strategy”, and legal acts regulating the Company’s activity ensuring socially responsible enhancement of the long-term value of the Group of Companies.
9. Objects of the Company’s activities:
  - 9.1. Performance analysis of the companies of the Group of Companies of the Company, the exercise of shareholder rights and obligations, setting operational guidelines and operating rules, coordination of activities;
  - 9.2. provision of services to the companies of the Group of Companies of the Company, and financing of the companies of the Group of Companies of the Company;
  - 9.3. representation of the Group of Companies of the Company.
10. The Company has the right to engage in activities that do not contradict its objectives of activities and the laws of the Republic of Lithuania.
11. The bodies of the Company, in compliance with the provisions of laws, other legislation, these Articles of Association and the internal documents of the Company, must pursue the objectives of the Company’s activities and act for the benefit of the Company and all shareholders of the Company. In carrying out its activities, the Company also seeks an appropriate return on the capital invested by the shareholder.
12. The Company can be a participant in other legal entities (except for associations) only subject to the approval by the General Meeting. When managing the companies of the Group of Companies of the Company, the Company determines the following of the Company’s Group of Companies:
  - 12.1. operational guidelines and operational rules;
  - 12.2. annual financial plans;
  - 12.3. the annual rate of return on assets;

12.4. maximum amounts of debt obligations;

12.5. other activity parameters;

and addresses other issues of the management of the Group of Companies of the Company, insofar as this is not contrary to law.

### **CHAPTER III AUTHORIZED CAPITAL AND SHARES OF THE COMPANY**

13. The authorized capital of the Company is EUR 1 658 756 293,81 (one billion six hundred and fifty-eight million seven hundred and fifty-six thousand two hundred and ninety-three euros and eighty-one euro cent), divided into 74 283 757 (seventy four million two hundred eighty three thousand seven hundred fifty seven) ordinary registered shares with the nominal value of 22,33 Eur (twenty two euros, thirty three euro cents) per each share.

14. The Company issues shares of one class – ordinary registered shares. All shares of the Company are uncertificated shares. The shares shall be recorded by the entries in the personal securities accounts of the shareholders which are opened and maintained by the Company in accordance with the procedure established by the legal acts regulating the management of securities accounts of shareholders. At the request of the shareholder, the Company must issue a statement from the securities account of the shareholder stating the number of shares and other information established by the legal acts regulating the activities of public limited companies.

### **CHAPTER IV SHAREHOLDERS AND THE RIGHTS OF SHAREHOLDERS**

15. The shareholders of the Company shall have the property and non-property rights laid down in the laws, other legislation and these Articles of Association.

16. The management bodies of the Company create appropriate conditions for the exercise of the rights of the shareholders of the Company.

### **CHAPTER V GENERAL MEETING**

17. The procedure for convocation of the General Meeting is prescribed by the Law on Companies and these Articles of Association.

18. Competence of the General Meeting:

18.1. to change the registered office of the Company;

18.2. to amend the Articles of Association of the Company, except as provided by the Law on Companies;

18.3. to elect and remove the individual members of the Supervisory Board or the Supervisory Board;

18.4. to elect and remove an auditor or an audit firm to carry out an audit of the financial statements of the Company and of the consolidated financial statements of the Group of Companies of the Company, to set the conditions of payment for audit services;

18.5. to set the class, number, par value and minimum issue price of the shares issued by the Company;

18.6. to adopt decisions to convert the Company's shares of one class to the shares of another class, to approve the share conversion procedure;

18.7. to approve the set of the annual financial statements of the Company and of the annual consolidated financial statements of the Group of Companies;

18.8. to approve the set of the interim financial statements prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year;

18.9. to adopt decisions on the distribution of profit (loss);

18.10. to adopt decisions on the distribution of dividends for a period which is shorter than the financial year;

18.11. to decide on the formation, use, reduction and liquidation of reserves;

18.12. to adopt decisions to issue convertible bonds;

18.13. to adopt decisions to revoke the pre-emption right for all shareholders to acquire the Company's shares or convertible bonds of a specific issue;

18.14. to adopt decisions to increase the authorized capital;

- 18.15. to adopt decisions to decrease the authorized capital, except as provided by the Law on Companies;
- 18.16. to adopt decisions for the Company to acquire its own shares;
- 18.17. to adopt decisions on reorganization or separation of the Company, and approve the terms of reorganization or separation, except as provided by the Law on Companies;
- 18.18. to adopt decisions to reorganise the Company;
- 18.19. to adopt decisions on the restructuring of the Company;
- 18.20. to adopt decisions to liquidate the Company, to cancel the liquidation of the Company, except as provided by the Law on Companies;
- 18.21. to elect and remove liquidator of the Company, except as provided by the laws;
- 18.22. to adopt decisions on setting the terms and conditions of the contracts provided for in Clauses 26 and 33 of these Articles of Association with the members of the Supervisory Board and the Chairman of the Supervisory Board on activities in the Supervisory Board, and on identification of confidential information and its protection, appointment of proxy authorized to sign these contracts on behalf of the Company;
- 18.23. to adopt decisions on the payment of remuneration to the independent members of the Supervisory Board and on the amount to be paid;
- 18.24. to approve or disapprove the Annual Report of the Company and the Consolidated Annual Report of the Group of Companies of the Company;
- 18.25. to approve or disapprove the decisions of the Board which are provided for in sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 of these Articles of Association;
- 18.26. to elect and remove the members of the Company's audit committee (hereinafter – the Audit Committee) or the Audit Committee, ensuring that the majority of the members of the Audit Committee are independent members;
- 18.27. to adopt decisions on setting the terms and conditions of the contracts regarding activities of the members and Chair of the Audit Committee, and on confidential information protection, appointment of authorized person to sign these contracts on behalf of the Company;
- 18.28. to approve the regulations of the Audit Committee;
- 18.29. to deal with other issues of the Law on Companies, its implementing legislation or the Articles of Association which are within the competence of the General Meeting.
19. The General Meeting may adopt decisions and shall be deemed to have taken place if it is attended by the shareholders owning the shares which grant more than 1/2 (half) of all votes.
20. The decision of the General Meeting shall be deemed to have been adopted when more shareholders voted in favour of the decision than against it, except as provided for in this Clause. The decisions stated in Sub-Clauses 18.2, 18.5, 18.6, 18.9 – 18.12, 18.14, 18.15, 18.17 – 18.20 of the Articles of Association shall be adopted by the majority vote of 2/3 (two thirds) of the voting rights carried by the shares of the shareholders participating in the General Meeting. The decision stated in Sub-Clause 18.13 of these Articles of Association shall be adopted by the majority vote of ¾ (three quarters) of the voting rights carried by the shares of the shareholders participating in the General Meeting.

## **CHAPTER VI SUPERVISORY BOARD**

21. The Supervisory Board is a collegial body supervising the activities of the Company.
22. The Supervisory Board consists of 7 (seven) members – natural persons. The Supervisory Board must consist of not less than 1/2 (half) of the independent members. The Supervisory Board is elected by the General Meeting for a term of 4 (four) years. The Supervisory Board or its members shall begin and end their activities in accordance with the procedure and time terms established by the Law on Companies and its implementing legislation.
23. Supervisory Board members must comply with the criteria set forth in Clause 25 of these Articles of Association.
24. Each candidate to the members of the Supervisory Board must provide the General Meeting with a written consent to stand for the office of the member of the Supervisory Board and the Declaration of Interests of the candidate by stating therein all circumstances which may give rise to a conflict of interest between the candidate and the Company. In the light of the new circumstances that could result in a conflict of interest between the member of the Supervisory Board and the Company, the member of the Supervisory Board must immediately notify the Supervisory Board and shareholders in writing of such new circumstances.
25. The following cannot be the member of the Supervisory Board:

- 25.1. Chief Executive Officer;
- 25.2. the member of the Board;
- 25.3. the member of the Board, the Head or the administrative employee of the company of the Group of Companies of the Company;
- 25.4. a member of the supervisory body, management body or an employee of the administration of a legal entity carrying out electricity or gas transmission activities;
- 25.5. an auditor or an employee of an audit firm who participates and / or has participated in the audit of the set of the Company's financial statements where less than 2 (two) years has elapsed since the audit was carried out;
- 25.6. a person who, as provided by law, does not have the right to hold this post.
26. Contracts on activities in the Supervisory Board are entered into with the members of the Supervisory Board which set out their rights, duties and responsibilities. By the decision of the General Meeting, the independent members of the Supervisory Board are paid remuneration for activities in the Supervisory Board. The terms and conditions of the contracts of the members of the Supervisory Board on activities in the Supervisory Board are set by the General Meeting.
27. The member of the Supervisory Board may resign from office prior to the expiration of his / her term of office by giving 14-days (fourteen) written notice thereof to the Company.
28. If the member of the Supervisory Board is removed, resigns or for any other reason ceases to hold office, and the shareholders of the Company who own shares granting at least 1/10 (one tenth) of all votes oppose the election of individual members of the Supervisory Board, the Supervisory Board is deprived of its powers and the entire Supervisory Board shall be elected. If individual members of the Supervisory Board are elected, they shall be elected only until the end of the term of the existing Supervisory Board.
29. The Supervisory Board is chaired by its Chairman whom the Supervisory Board elects from among its members. The Chairman of the Supervisory Board shall convene and chair the meetings of the Supervisory Board. If the Chairman of the Supervisory Board is absent or cannot hold office, the meetings of the Supervisory Board shall be convened and chaired by the oldest member of the Supervisory Board.
30. The Supervisory Board has the following competence:
- 30.1. to consider and approve the operational strategy, annual budget and investment policy of the Company and of the Group of Companies of the Company, to analyse and assess information on the implementation of the operational strategy of the Company, to provide this information to the Ordinary General Meeting;
- 30.2. to elect and remove the members of the Board;
- 30.3. to supervise the activities of the Board and of the Chief Executive Officer;
- 30.4. to submit to the General Meeting feedback and suggestions regarding the operational strategy of the Company and of the Group of Companies of the Company, regarding a set of the annual financial statements of the Company and the annual consolidated financial statements of the Group of Companies of the Company, submit proposals for distribution of the Company's profit (loss), and regarding the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company, as well as regarding the activities of the Board and the Chief Executive Officer;
- 30.5. to submit to the General Meeting feedback and proposals regarding the decision on the project of distribution of dividends for a period shorter than the financial year, the set of the interim financial statements prepared for the purpose of adopting the said decision, and the interim report prepared;
- 30.6. to submit proposals to the Board and the Chief Executive Officer to revoke their decisions that are in conflict with the laws and other legislation, these Articles of Association or the decisions of the General Meeting;
- 30.7. to adopt decisions on setting the terms of the contracts provided for in Clause 44 of these Articles of Association with the members of the Board on activities in the Board, including remuneration for work in the Board, and appointment of a person authorized to sign these contracts on behalf of the Company;
- 30.8. to make proposals and recommendations regarding organization of activities of the Group of Companies of the Company, financial situation, the decisions of the supervisory and management bodies;
- 30.9. to submit to the Board feedback and suggestions regarding the Company's activities plan ;
- 30.10. subject to proposal of the Board and / or the Chief Executive Officer; to adopt decisions on the appointment and dismissal of the head of the structural unit performing the internal audit

functions of the Company, the approval of his / her job description, promotion and imposition of penalties;

30.11. to submit to the Board an opinion on the nominations of the Chief Executive Officer, of the members of the management and / or supervisory bodies of AB „Energijos skirstymo operatorius“, AB „Ignitis gamyba“, UAB „Ignitis“ and UAB „Ignitis renewables“; supervisory or management bodies of the affiliates and representative offices of companies in which the Company is a shareholder;

30.12. at the request of the Board and / or the Chief Executive Officer to submit feedback and proposals regarding the decisions adopted or planned to be adopted by the Board and / or by the Chief Executive Officer.

30.13. to consider and submit proposals regarding the auditor or audit firm elected by the General Meeting and the terms of payment for the audit services;

30.14 taking into consideration the conclusion of the company's Audit Committee, to make a decision regarding the Company's transactions planned to be made with an associated party as amended by international financial reporting standards if they:

30.14.1 are made under unusual market conditions and/or;

30.14.2 are not assigned to the Company's usual business activities and/or;

30.14.3 have a material impact on the Company, its finances, assets and liabilities, i.e. the value of the transaction is more than 1/50 of the Company's authorised capital, except for

30.14.3.1. the transactions which are necessary to ensure the Company's main activities;

30.14.3.2. the transactions which must be entered into according to the requirements of legislation;

30.14.3.3. short-term lending transactions, concluded between companies of the Group of Companies of the Company using Intragroup borrowing platform, as well as lending, collateral of obligations and collateral of obligations services transactions between the parent company and the subsidiary of the Group of Companies of the Company (including subsequent subsidiaries), if the value of the transaction referred to in this subparagraph during the financial year does not exceed 1/10 of the value of the assets indicated in the latest published audited balance sheet of the parent Company.

30.15 provide feedback and proposals on Company's draft remuneration policy and draft remuneration report to the general meeting of shareholders and the Board.

30.16. to deal with other issues of the Law on Companies of the Republic of Lithuania, the supervision of activities of the management bodies of the Company and of the companies of the Group of Companies of the Company which are within the competence of the Supervisory Board as stipulated in these Articles of Association and the decisions of the General Meeting.

31. The Supervisory Board shall not be entitled to delegate or transfer the functions which fall within its competence, as stipulated by laws and in these Articles of Association, to other bodies of the Company.

32. The Supervisory Board has the right to request the Board and the Chief Executive Manager to submit documents and information related to the activities of the Company and of the Group of Companies of the Company, and the Board and the Chief Executive Officer must ensure that such documents and information are submitted to the Supervisory Board within a reasonable time.

33. The members of the Supervisory Board must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company and of the Group of Companies of the Company that they have learned when they were the members of the Supervisory Board. Contracts for the protection of confidential information are entered into with the members of the Supervisory Board, the terms of which are approved by the General Meeting.

34. Adoption of decisions of the Supervisory Board:

34.1. The rules of procedure of the Supervisory Board is established by the Rules of Procedure of the Supervisory Board adopted by it.

34.2. The Supervisory Board adopts decisions at the meetings of the Supervisory Board. Minutes shall be taken of the meetings of the Supervisory Board.

34.3. The meetings of the Supervisory Board shall take place at least quarterly. The meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board. The meetings of the Supervisory Board may also be convened by the decision of at least 1/3 (one third) of the members of the Supervisory Board. The Supervisory Board must enable attendance at its meetings and provide explanations to the members of the Board, the Chief Executive Officer, the heads of structural units of the Company, and / or to the members of the supervisory or management bodies of the companies of the Group of Companies of the Company when addressing the issues related to their activities.

34.4. In case of resignation or removal of one or more members of the Board, the Chairman of the Board or the entire Board, a meeting of the Supervisory Board shall be convened, at which new members of the Board or the whole Board shall be elected respectively.

34.5. The Supervisory Board may adopt decisions and its meeting shall be deemed to have been held when more than 1/2 (half) of the members of the Supervisory Board attend the meeting.

34.6. The decision of the Supervisory Board shall be deemed to have been adopted if the majority of the members of the Supervisory Board attending the meeting voted in its favour. In the event of a tie, the Chairman of the Supervisory Board shall have the casting vote. The decision to remove the member of the Board can be adopted if at least 2/3 (two thirds) of the members of the Supervisory Board attending the meeting voted in its favour;

34.7. The members of the Supervisory Board must attend the meetings of the Supervisory Board and vote in favour of or against each issue considered. A member of the Supervisory Board shall not be entitled to refuse to vote or abstain from voting, unless there is a potential conflict of interest between the member of the Supervisory Board and the Company, or on other grounds provided by the legal acts or these. A member of the Supervisory Board has the right to grant a written power of attorney to another member of the Supervisory Board to represent him / her at the meeting of the Supervisory Board..

34.8. The members of the Supervisory Board who are unable to attend directly the meeting of the Supervisory Board must vote in advance in writing or by electronic means if the security of information transmitted is assured and the person who voted can be identified. The members of the Supervisory Board who voted in advance shall be deemed to have participated at the meeting of the Supervisory Board.

35. The Company must ensure appropriate conditions for the work of the Supervisory Board and the members of the Supervisory Board in the Supervisory Board, and must provide technical and organizational means necessary for the work. The functions of servicing the meetings of the Supervisory Board are performed by the Company's employees responsible for the organization of decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

36. The committees of the Supervisory Board:

36.1. The nomination and remuneration, supervision of risk management (hereinafter – the Committee) committees are formed and operate in accordance with the regulations of the Committee approved by the Supervisory Board. Other committees may be set up if necessary. The functions and operational guidelines of the Committees shall be established and approved by the Supervisory Board.

36.2. The Committees shall examine the issues assigned to their competence in the regulations of the Committees and the issues referred to the relevant Committee by the Supervisory Board and shall submit proposals to the Supervisory Board on these issues. The Supervisory Board, taking into account the proposals of the Committees, adopts decisions within its competence and is responsible for these decisions.

36.3. The Committees shall be set up by the decision of the Supervisory Board for a term of 4 (four) years of at least 3 (three) members. Where individual members of the Committee are elected, they shall be elected only until the end of the term of the existing Committee. The restrictions provided for in Clause 25 of these Articles of Association shall apply to the members of the Committees. Not less than 1/3 (one third) of the members of the relevant Committee must be independent, unless the law provides for a greater number of independent members. A member of the Supervisory Board shall be appointed to hold the office of the Chairman of the Committee. If a member of the Supervisory Board is removed, resigns or for any other reason ceases to be a member of the Supervisory Board, he / she shall be deprived of the office in the Committee;

36.4. The Committees shall prepare and submit to the Supervisory Board at least every 6 (six) months a report on their activities;

36.5. The contracts can be entered into with the members of the Committees for the activities in the relevant Committee, which, inter alia, provide for the rights, duties and responsibilities of the members of the Committee. By the decision of the Supervisory Board, the independent members of the Committees can be paid remuneration which cannot exceed the amount of remuneration for an independent member of the Supervisory Board for his / her activities in the Supervisory Board which has been set by the General Meeting. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Committee for the members of the Committees.

## **CHAPTER VII THE BOARD**

37. The Board is a collegial management body of the Company.

38. The Board is elected and revoked by the Supervisory Board in accordance with the procedure set forth in these Articles of Association and legal acts. The Board is accountable to the Supervisory Board and the General Meeting.

39. The Board consists of 5 (five) members who are elected for a term of 4 (four) years. The Board and its members shall commence and terminate their activities in accordance with the procedure and within the time limits established by the Law on Companies and other legal acts.

40. The members of the Board must comply with the requirements set forth in Clause 42 of these Articles of Association.

41. Each candidate for Board membership must provide the Supervisory Board with a written consent to stand as a candidate of the members of the Board and the declaration of interests of the candidate, by stating therein all circumstances which may give rise to a conflict of interest between the candidate and the Company. In the event of new circumstances that could result in a conflict of interest between the member of the Board and the Company, the member of the Board must immediately notify the Board and the Supervisory Board in writing of such new circumstances.

42. The following cannot be a member of the Board:

42.1. a person referred to in Sub-Clauses 25.4 and 25.5 of these Articles of Association;

42.2. a member of the Supervisory Board;

42.3. a member of the Committee;

42.4. a person who is not legally entitled to hold such office.

43. The members of the Board cannot do other work or hold other positions which are incompatible with their activities on the Board, including executive positions in other legal entities (except for positions within the Company and the Group of Companies of the Company), work in civil service, statutory service. The members of the Board may hold other office or do other work, except for positions within the Company and other legal entities of which the Company is a member, and may carry out pedagogical, creative, or authorship activities only with the prior consent of the Supervisory Board.

44. Contracts shall be entered with the members of the Board before they take office for the activities in the Board, which provide for their rights (including the right to remuneration for the activities in the Board if the decision to pay such remuneration is adopted), duties and responsibilities. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Board.

45. The Board elects the Chairman of the Board from its members.

46. If the Board is removed from office, resigns or for other reasons ceases to hold office before the expiry of the term, a new Board shall be elected for the new term of office of the Board. Individual members of the Board shall only be elected until the end of the term of office of the existing Board.

47. A member of the Board may resign from office before the end of his /her term of office by giving 14-days (fourteen) written notice to the Company in accordance with the procedure established by laws.

48. The competence of the Board, the procedure of decision making, election and removal of the members of the Board is established by the Law on Companies, its implementing legal acts, these Articles of Association and the Rules of Procedure of the Board.

49. The Board considers and approves:

49.1. the operational plan of the Company;

49.2. the remuneration report of the Company;

49.3. the management (organizational) structure of the Company, a list of positions and the maximum number of posts;

49.4. the positions to which the staff are recruited through the tender procedure;

49.5. the Regulations of the Company's affiliates and representative offices;

49.6. a list of confidential information and trade (industrial) secrets.

50. The Board analyses and assesses:

50.1. the draft operational strategy of the Company and of the Group of Companies of the Company provided by the Chief Executive Officer of the Company, and information about the implementation of operational strategy of the Company and of the Group of Companies of the Company;

50.2. organization of the activities of the Company and the Group of Companies of the Company;

50.3. the financial situation of the Company and of the Group of Companies of the Company;

50.4. the results of economic activities of the Company, estimates of revenue and expenses, inventory data and other accounting data of changes in assets;

50.5 draft remuneration policy submitted by the Chief Executive Officer;



50.6 the annual budget of the Company and the Group of Companies of the Company and submits them to the Company's Supervisory Board for approval.

51. The Board considers and approves the Annual Report of the Company, the consolidated Annual Report of the Group of Companies of the Company, the interim Report, also analyses and assesses a set of annual financial statements of the Company, a set of consolidated annual financial statements of the Group of Companies of the Company, a set of interim financial statements of the Company prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year, the distribution of the Company's profit (loss), and the decision regarding the projects of dividends for a period which is shorter than the financial year, and submits these documents to the Supervisory Board and the General Meeting.

52. The Board shall adopt decisions on the entry into the following transactions (except where transactions that meet these criteria are provided for in the operational budget of the Company):

52.1. investment, transfer, lease of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated separately for a type of each transaction);

52.2. purchase of non-current assets at a price higher than EUR 3,000,000 (three million);

52.3. pledge or mortgage of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated for the total amount of transactions);

52.4. surety or guarantee of fulfilment of obligations of other persons in the amount of more than EUR 3,000,000 (three million);

52.5. money lending (except for investing the Company's funds which shall be executed in accordance with the procedure for investing the Company's funds set by the Board) or borrowing, including, but not limited to, decisions to enter into any credit (loan) agreements and / or modification of the terms of the existing credit (loan) agreements;

52.6. entry into other transactions with the value exceeding 3,000,000 (three million) euros.

53. when adopting the decisions referred to in Clause 52 of these Articles of Association, the Board shall approve the material terms of these transactions.

54. The Board shall adopt decisions regarding:

54.1. of the Company becoming a founder, participant of other legal entities;

54.2. establishment of affiliates and representative offices of the Company;

54.3. approval of nominations of the supervisory or management bodies of the companies of the Group of Companies of the Company~~companies in which the Company is a shareholder~~, of the Company's affiliates and representative offices having regard to the opinion provided by the Supervisory Board, when it is provided in accordance with Sub-Clause 30.11 of these Articles of Association;

54.4. approval of the Articles of Association of companies in which the Company is a shareholder;

54.5. the following of the companies of the Group of Companies of the Company of strategic and significant importance to national security, which carry out manufacturing, distribution, supply activities in the energy sector, as well as of companies directly managed by the Company which carry out activities in the electricity production sector:

54.5.1. the transfer, pledge, other restriction or disposal of the shares or the rights attached thereto;

54.5.2. increase, decrease of the authorized capital or other actions that may alter the structure of the authorized capital (e.g. issue of convertible bonds);

54.5.3. reorganization, separation, restructuring, liquidation, reformation or other acts changing the status of these companies;

54.5.4. the transfer of a business or a substantial part of it.

54.6. the issues of establishing and managing the operational guidelines and rules of the companies of the Group of Companies of the Company, common policies of the Group of Companies, annual financial plans, annual rate of return on assets, the maximum amounts of debt obligations, as well as other operational parameters of the companies of the Group of Companies of the Company;

54.7. participation and voting in the General Meetings of Shareholders of the companies of which the Company is a shareholder. The Board appoints a person to implement the decision of the Board at a General Meeting of Shareholders.

55. The Board shall adopt decisions:

55.1. to issue the Company's bonds (except for convertible bonds);

55.2. regarding other issues that fall within the competence of the Board, as well as regarding the issues (including issues regarding entry into transactions) for which the Board is approached by the Chief Executive Officer.

56. Decisions of the Board referred to in Sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 (except the decisions on the increase, decrease of the authorized capital of companies directly managed by the Company, which do not have

a strategic and significant importance to national security, which carry out activities in the electricity production sector) of these Articles of Association require the approval of the General Meeting.

57. If these Articles of Association, the Law on Companies or other legal acts require the approval of the General Meeting for decisions of the Board, decisions of the Board can be implemented only after an approval of the General Meeting has been obtained. The approval of the General Meeting does not exclude responsibility of the Board for the decisions adopted.

58. The Board shall be responsible for convening and organizing the General Meetings in a timely manner.

59. Taking into account the opinion of the Supervisory Board, the Board elects and removes the Chairman of the Board, the Chief Executive Officer, determines the Chief Executive Officer's salary, other terms and conditions of his employment contract, approves job regulations, promotes him and imposes penalties in accordance with the procedure established by the Law on Companies, its implementing legal acts and these Articles of Association.

60. The Chairman of the Board elected by the Board shall also be appointed as the Chief Executive Officer. In the event of removal from office, the General Manager shall also be removed from office of the Chairman of the Board.

61. All members of the Board shall have equal rights and obligations.

62. The Board shall act in accordance with the legal acts regulating the activities of the companies, the Articles of Association, the decisions of the General Meeting, the Supervisory Board and the Rules of Procedure of the Board.

63. The members of the Board must keep in confidentiality commercial (industrial) secrets and confidential information of the Company and the group of companies of the Company which they have become aware of as the members of the Board.

64. Adoption of the Board decisions and the rules of procedures:

64.1. The rules of procedure of the Board shall be established by the Rules of Procedure of the Board adopted by the Board.

64.2. Each member of the Board shall be responsible for analysis of the matters within his / her competence – mentoring area directly related to the work in the Board, which are subject to appropriate decision to be adopted, and submitting all necessary information to other members of the Board in order for the necessary decisions of the Board to be adopted in a timely manner. The specific areas of supervision of the members of the Board shall be defined in the rules of procedure of the Board.

64.3. The Board shall adopt its decisions in the Board meetings. Minutes of the Board meetings must be taken. The Board shall organize its activities in accordance with the procedure laid down in the Rules of Procedure of the Board.

64.4. Meetings of the Board must be held at least once every 2 (two) weeks, if the rules of procedure of the Board do not establish otherwise.

64.5. If the Chief Executive Officer resigns or is removed, the Board shall immediately decide on the removal of the Chairman of the Board.

64.6. Meetings of the Board shall be convened and chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the oldest member of the Board shall convene and chair the meetings of the Board.

64.7. The Board may adopt decisions and its meeting shall be deemed to have been held when at least 4 (four) members of the Board attend the meeting. The members of the Board having voted in advance shall be deemed to be present at the meeting.

64.8. decision of the Board shall be deemed to have been adopted if the majority of the members of the Board attending the meeting voted in favour thereof. In the event of a tie, the Chairman of the Board shall have the casting vote.

64.9. The members of the Board must attend the meetings of the Board and vote in favour of or against each issue considered. A member of the Board shall not be entitled to refuse to vote or abstain from voting, unless there is a potential conflict of interest between the member of the Board and the Company. A member of the Board has the right to grant a written power of attorney to another member of the Board to represent him / her at the meeting of the Board.;

64.10. The members of the Board who are unable to attend directly the meeting of the Board must give prior written notice thereof or vote in advance in writing or by electronic means if the security of information transmitted is assured and the person who voted can be identified.

65. The Company must ensure appropriate conditions for the work of the Board and the members of the Board in the Board providing technical and organizational means necessary for the work. The meetings of the Board are serviced by the Company's employees responsible for the organization of decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

## **CHAPTER VIII CHIEF EXECUTIVE OFFICER**

66. The Chief Executive Officer is a sole management body of the Company.

67. The Chief Executive Officer acts on behalf of the Company and enters into transactions according to the principles of one-man management, except as provided by the Law on Companies, its implementing legislation and these Articles of Association.

68. The competence of the Chief Executive Officer, the procedure of election and removal, terms of office are laid down in the Law on Companies, its implementing legislation and these Articles of Association.

69. The Chief Executive Officer shall take up his / her duties from the date of his /her election, unless provided otherwise in the employment contract entered into with the Chief Executive Officer. The employment contract with the Chief Executive Officer shall be signed by the member of the Board authorized by the Board.

70. The Chief Executive Officer shall have the right to resign from the office by informing the Board and the Supervisory Board in writing.

71. The Chief Executive Officer shall act in accordance with the laws, other legal acts, these Articles of Association, the decisions of the General Meeting, the decisions of the Supervisory Board and the Board and his / her working regulations.

72. The Chief Executive Officer must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company that became known to him / her in the course of his / her duties in the Company.

73. The Chief Executive Officer:

73.1. manages the Company;

73.2. organizes day-to-day activities of the Company;

73.3. ensures the implementation of the Company's operational strategy;

73.4. implements the decisions of the Board;

73.5. makes decisions regulating the activities of the Company;

73.6. recruits and dismisses employees, concludes and terminates employment contracts with them, promotes them and imposes penalties on them;

73.7. opens and closes accounts in banks or other institutions of payment service providers and disposes of the Company's funds therein;

73.8. issues authorizations and procurations;

73.9. ensures the protection of the Company's property / assets, creation of appropriate working conditions for the Company's employees, protection of the Company's trade secrets and confidential information;

73.10. submits proposals to the Board regarding the annual budget of the Company and the Group of Companies of the Company;

73.11. enters into a service provision contract with an auditor or an audit firm and ensures the submission of the Company's documents required for the audit to be carried out.;

73.12. shall be responsible for:

73.12.1. preparation of the annual financial statements of the Company and the sets of annual consolidated financial statements of the Group of Companies, preparation of the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company;

73.12.2. drafting a decision on the distribution of dividends for a period shorter than the financial year, formation of the set of interim financial statements and preparation of interim report to adopt the decision on the distribution of dividends for a period shorter than the financial year;

73.12.3. management of shareholders' personal securities accounts and registration of owners of certificated shares in the Company, except where accounting for the book-entry shares has been delegated to the account managers;

73.12.4. submitting information and documents to the General Meeting of Shareholders, the Supervisory Board and the Board in the cases stipulated by the Law on Companies or at their request;

73.12.5. submitting the Company's documents and data to the Registrar of the Register of Legal Entities;

73.12.6. submitting the documents of the Company to the Bank of Lithuania and the Central Securities Depository;

73.12.7. public disclosure of information laid down in the Law on Companies in the source specified in these Articles of Association;

73.12.8. submitting information to shareholders;

73.12.9. preparation of the draft annual budget of the Company and the the Group of Companies of the Company;

73.12.10 drafting the remuneration policy and remuneration report and making public announcement of the approved remuneration policy and remuneration report on the Company's website.

73.13. carries out other functions set forth in laws, these Articles of Association, the decisions of the General Meeting, in the resolutions of the Supervisory Board, the Board and staff regulations of the Chief Executive Manager, and resolves other issues in connection with the activities of the Company which under the laws and these Articles of Association do not fall within the competence of other bodies of the Company.

74. The Chief Executive Officer shall participate and vote in the General Meetings of Shareholders of the companies of which the Company is a shareholder, unless the Board orders the implementation of the decisions of the Board regarding participation and voting in the General Meetings of Shareholders by another person.

75. If under the laws or these Articles of Association the decision and / or approval of the General Meeting and / or of the Board is required in order for the transactions of the Company to be entered into or other decisions to be adopted, the Chief Executive Officer may enter into the Company's transactions or adopt other decisions when such decision and / or approval of the General Meeting and / or of the Board has been adopted.

## **CHAPTER IX THE AUDIT COMMITTEE**

76. The Audit Committee consists of 5 (five) members, which are appointed by the General Meeting for a period not exceeding 4 (four) years, ensuring that the majority of the members of the Audit Committee are independent members. Two candidates for the Audit Committee are nominated by the Supervisory Board.

77. The Chair of the Audit Committee is elected by the members of the Audit Committee from among their independent members.

78. The members of the Audit Committee must comply with the independence, qualification and other requirements specified in Resolution No. 03-14 of the Board of the Bank of Lithuania "Regarding the Approval of the Description of Requirements for Audit Committees" of 24th January 2017.

79. The Audit Committee is responsible for preparation and submission of objective conclusions or proposals regarding the operation of the audit and internal control system to the Company.

80. The competence of the Audit Committee includes, but is not limited to:

80.1. supervision of the financial reporting and auditing processes of the Group of companies of the Company;

80.2. monitoring compliance with the principle of independence of auditors and audit firms of Group of companies of the Company;

80.3. monitoring the effectiveness of the internal control, risk management and internal audit systems and processes of Group of companies of the Company;

80.4. preparation and submission of recommendations related to the selection, appointment, re-appointment and removal of the external audit company and the terms of the contract with the external audit company to the Company;

80.5. ensuring the effectiveness of the internal audit function in the Group of Companies of the Company;

80.6. providing opinion on transactions with related parties as provided for in Article 37<sup>2</sup> of the Law on Companies of the Republic of Lithuania to the Company.

81. The Audit Committee acts as the audit committee of the entire Group of Companies of the Company.

82. The regulations of the Audit Committee are approved by the General Meeting.

## **CHAPTER X PLANNING OF COMPANY'S ACTIVITY, AUDIT AND FINANCES**

83. The activity of the Company and the Group of Companies of the Company is planned by preparing the annual budget of the Company and the Group of Companies of the Company, which shall be approved by the Supervisory Board. The Chief Executive Officer shall be responsible for the preparation of the draft annual budget of the Company and the Group of Companies of the Company.

84. A sets of financial statements of the Company and consolidated financial statements of the Group of Companies of the Company must be prepared in accordance with the International Financial Reporting Standards. The General Meeting shall have the exclusive right to elect and remove an auditor or an audit firm and to determine the terms of payment for the audit services.

85. The structural unit performing internal audit functions of the Company is accountable to the Supervisory Board.

## **CHAPTER XI PROCEDURE OF NOTIFICATION PUBLICATION**

86. The Company's notices on convening the General Meeting, regulated information as defined in the Law on Securities of the Republic of Lithuania, which the Company is required to disclose under the Law on Securities, are published in accordance to this law in the Central Regulated Information Database and on the Company's website.

87. Other information and notices not specified in Clause 86 of the Articles of Association, which the Company must publish publicly, shall be published in an electronic publication for public announcements issued by the manager of the Register of Legal Entities in accordance with the procedure established by the Government.

## **CHAPTER XII PROCEDURE OF DISCLOSURE OF DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS, THE SUPERVISORY BOARD AND THE BOARD**

88. At the Shareholder's written request, the Company, at the latest within 7 (seven) days of the date of receipt of request, must give access to the following documents: these Articles of Association, sets of the Company's annual financial statements and of the annual and interim consolidated financial statements of the Group of Companies of the Company, the Annual, Interim Reports of the Company and the consolidated Annual Reports of the Group of Companies of the Company, the Auditor's conclusions, audit reports on financial statements, Minutes of the General Meetings, of the meetings of the Supervisory Board and of the Board, or other documents which form the decisions of the bodies of the Company, proposals or feedback from the Supervisory Board to the General Meetings, lists of shareholders, lists of the members of the Supervisory Board and of the Board, as well as to other documents of the Company which are required by law to be made public, unless such documents contain trade (industrial) secret or confidential information, and / or provide with copies of the mentioned documents.

89. The Company must enable access by the shareholder to all other information of the Company not specified in Clause 88 of these Articles of Association, which at the shareholder's request must be systematized according to the reasonable criteria specified by the shareholder and / or must provide copies of the documents, provided that such information and documents, including information and documents relating to the Company's trade (industrial) secret and confidential information, are necessary for the shareholder in fulfilling the requirements provided for in other legal acts, and the shareholder safeguards confidentiality of such information and documents. The Company shall refuse to provide copies of the documents to the shareholder if the requesting shareholder cannot be identified. The refusal to provide a shareholder with access to and / or provide copies of the documents shall be executed by the Company in writing if the shareholder so requests.

90. Any member of the Supervisory Board or the Board has the right of access to all documents of the Company and of the companies of the Group of Companies of the Company, as well as to all information of the Company and of the companies of the Group of Companies of the Company (including information on draft decisions of the management bodies which have not been yet adopted, and information on planned transactions and investments), which, at the request of the person receiving the information, must be systematised according to reasonable criteria specified by such person. If the Company does not have the documents or information of the companies of the Group of Companies of the Company requested by the members of the Supervisory Board or the Board, the Chief Executive Manager must take immediate action in order for the Company to obtain such documents or information. Information and documents provided in accordance with this Clause must be submitted immediately, but not later than within 5 (five) working days of the date of receipt of the respective requirement. The entities referred to in this Clause shall have the right to demand and the Company shall have the duty to ensure that certain specific information and documents are provided periodically without separate request of the relevant entity.

91. All information and documents specified in Clauses 88 – 90 of these Articles of Association shall be provided to the shareholders, the members of the Supervisory Board and the Board free of charge.

### **CHAPTER XIII AFFILIATES AND REPRESENTATIVE OFFICES OF THE COMPANY**

92. The affiliates and / or representative offices of the Company shall be established, and their activities shall be terminated by decision of the Board. The number of the affiliates and / or representative offices of the Company is unlimited.

93. The affiliates and / or representative offices of the Company shall operate according to the regulations of the affiliates and / or representative offices approved by the Board.

94. The Heads of the affiliates and / or representative offices of the Company shall be appointed and removed in accordance with Sub-Clause 54.3 of these Articles of Association, the regulations of the affiliates and / or representative offices approved by the Board.

### **CHAPTER XIV FINAL PROVISIONS**

95. These Articles of Association of the Company shall be amended in accordance with the procedure established by the Law on Companies.

96. When the General Meeting adopts the decision to amend the Articles of Association of the Company, the full text of the amended Articles of Association of the Company shall be drawn up and the person authorized by the General Meeting shall sign it.

97. These Articles of Association shall become effective as of the day of their registration in the Register of Legal Entities.

98. If the provisions of the laws change and as a result of the contradictions of the provisions of these Articles of Association with the changed laws, the laws must be followed until the Articles of Association of the Company are amended.

Date and place when and where the Articles of Association have been signed

The person authorized by the General Meeting:

The Chief Executive Officer

Darius Maikštėnas