

**ARTICLES OF ASSOCIATION
OF
AB "KN ENERGIES**

I. GENERAL PROVISIONS

Article 1. Company

- 1.1. SC KN Energies (hereinafter referred to as the Company) is a private legal person with limited liability (as described in the Law on Companies of the Republic of Lithuania, hereinafter - the LoC) and according to its obligations, it is liable only with assets owned by the Company. In its activities the Company follows these Articles of Association (hereinafter – the Articles of Association), laws, European Union and international legal acts, as applicable, other legal acts applicable in the Republic of Lithuania, resolutions of the Government of Republic of Lithuania applicable to the State-Owned Enterprises (as applicable). In its activities the Company shall follow the provisions of the Guidelines for Ensuring Transparency in the Activities of State-Owned Enterprises approved by the Government of the Republic of Lithuania. The Company in its activities also takes into account the Organization for Economic Co-operation and Development Guidelines on Corporate Governance of State-Owned Enterprises, The Corporate Governance Code for the Companies Listed on AB NASDAQ Vilnius (hereinafter – Corporate Governance Code).
- 1.2. The legal form of the Company - Stock Company.
- 1.3. The calendar year is considered to be the financial year of the Company which begins on the 1st of January and ends on the 31st of December of every year.
- 1.4. The Company has been established with perpetual duration.
- 1.5. The Company is also the parent company and, together with other directly and indirectly controlled legal entities, forms a group of companies (hereinafter - the Group). In its activities, the Group is guided by the Corporate Governance Policy of the Company, the Expectation letter of the Ministry of Energy of the Republic of Lithuania, as the institution representing the controlling shareholder, regarding the state's goals and expectations, as well as other legal acts. The Company is not liable for the obligations of its group of enterprises, nor is the group of enterprises liable for the obligations of the Company.

Article 2. The goals of the Company and the Object of its activities

- 2.1. The Company seeks to meet the expectations of the business and industry by providing it with essential energy resources and making it an important contribution to building a future based on sustainable energy. The principal goals of the Company are to ensure safe and reliable activity of the Liquefied natural gas (hereinafter – LNG) terminal until 2044, reliable and effective operation of LNG and liquid energy products terminals and good technical condition of the infrastructure. The Company must ensure the conditions

for the long-term storage of the State's stocks of oil products. Furthermore, the Company's goals are expansion of international LNG terminals operations and maintenance services, expansion and diversification of activities in renewable energy area and any business associated with the transition to a lower carbon solutions, rational usage of assets of the Company, provision of services to its clients and performance of other activities aiming at safeguarding interests of the Company and its shareholders; to seek to ensure proper return on the capital invested by the shareholders.

- 2.2. The Company's supervisory and management bodies should seek the achievement of the objectives of the Company by observing the laws, other legal acts, these Articles of Association as well as the internal documents of the Company.
- 2.3. The Company's main activities are operation and management of terminals of liquid energy products, LNG and other renewable energy or low carbon solutions. The Company performs commercial activities, providing loading, storage, mixing and other related services of liquid energy products, participates in the construction and management projects of LNG terminals and related infrastructure implemented in other countries - provides consultations, offers LNG terminals and/or related infrastructure management and maintenance services and invests in these projects. The Company develops new infrastructure that is needed to meet transition to renewable energy and lower carbon goals. The Company may carry out other activities that are not prohibited by the laws of the Republic of Lithuania and do not conflict with the goals of its activity.

II. THE AUTHORIZED CAPITAL, SHARES AND RIGHTS OF SHAREHOLDERS

Article 3. Authorized capital

- 3.1. The authorized capital of the Company amounts to EUR 110 315 009,65 (one hundred and ten million three hundred and fifteen thousand nine euros sixty-five cents). It is divided into 380 396 585 (three hundred and eighty million three hundred and ninety-six thousand five hundred and eighty-five) ordinary registered shares. The nominal value of one Company's ordinary registered share is equal to EUR 0,29 (twenty-nine cents).

Article 4. Shares of the Company

- 4.1. All the shares issued by the Company are ordinary registered shares.
- 4.2. The shares of the Company are non-material shares. They are fixed by entries into personal securities accounts of the shareholders. The number of shares owned by a person and other relevant information as required by law shall be entered into the securities account.

Article 5. Rights conferred by shares. The procedure for submitting documents and other information to shareholders

- 5.1. The company's shareholders have property and non-property rights and obligations set out in laws, other legal acts and the Articles of Association.
- 5.2. All the bodies of the Company must act in such a way as to ensure appropriate conditions for the Company's shareholders to realize their rights.

- 5.3. The procedure for submitting documents and other information to shareholders is determined by the LoC.

III. BODIES AND GOVERNANCE OF THE COMPANY

Article 6. Bodies of the Company

- 6.1. The Company has the following bodies:
- 6.1.1. the General Shareholders' Meeting;
 - 6.1.2. the Board;
 - 6.1.3. Chief Executive Officer (CEO).
- 6.2. The Company's bodies make decisions independently and in accordance with the competence assigned by the legal acts in force in the Republic of Lithuania and the Articles of Association. The Company's bodies are fully responsible for their adopted decisions. When making decisions, the Company's bodies must follow the laws and other legal acts, Articles of Association, Corporate Governance Policy, act for the benefit of the Company and its shareholders, achieve the Company's and Group's operational goals, taking into account the good practice of sustainable business development in the environmental, social and governance areas.
- 6.3. In cases when due to an insufficient number of members or for other reasons, any body or committee of the Company has no opportunity to make decisions or recommendations assigned to its competence, such body or committee of the Company shall immediately, but no later than within 1 (one) month after the disappearance of the relevant circumstances, for which the Company's body or committee could not make decisions or recommendations, consider and make the necessary decisions or recommendations on the issues assigned to its competence.

IV. GENERAL SHAREHOLDERS' MEETING

Article 7. General Shareholders' Meeting

- 7.1. The procedure and competence of convening the general meeting of shareholders, decision-making and competence do not differ from the procedure and competence of convening the general meeting of shareholders, decision-making and competence specified in the LoC, except for the additional competence of the general meeting of shareholders which is provided for in Article 7.2 of the Articles of Association.
- 7.2. The General Meeting of Shareholders shall also:
- 7.2.1. approve the Company's Corporate Governance Policy;
 - 7.2.2. adopt other decisions foreseen in the Articles of Association regarding the approval or disapproval of the Board's or CEO's decisions;
 - 7.2.3. adopt decisions on establishing the terms of the contracts with Board members and the Chairperson of the Board as specified in Article 8.4 of the Articles of Association.
 - 7.2.4. in cases specified in Article 10.3 of the Articles of Association, decide on the suspension or non-suspension of the members of the Board and the adoption

of decisions when these decisions are made in the event of a conflict of interests of the members of the Board.

V. THE BOARD

Article 8. Formation of the Board and term of office

- 8.1. The Board consists of 6 (six) members including its Chairperson, at least 4 (four) of which shall be independent, their independency established according to the criteria set in the Law of the Republic of Lithuania on the Management, Use and Disposal of State and Municipal Assets, the Corporate Governance Code, as well as other requirements set under applicable laws.
- 8.2. The General Shareholders' Meeting elects and removes the members of the Board.
- 8.3. The General Shareholders' Meeting may remove from office the entire Board or its individual members before the expiry of their term of office. A member of the Board may resign from office prior to the expiry of his term of office by giving a written notice thereof to the Company at least 14 days in advance.
- 8.4. The members of the Board shall be elected for the period of 4 (four) years. The Board shall commence in office after the completion of the meeting of the General Shareholders' Meeting which elected the Board unless otherwise provided for by the imperative norms of the valid laws. As soon as the members of the Board are elected, they shall sign confidentiality agreements with the Company according to the provisions set by the General Shareholders' Meeting. The Board members who did not sign confidentiality agreements shall be forbidden to access the material of the convened Board meeting.
- 8.5. Members of the Board may perform other work or take other positions which can be compatible with their activities on the Board (including but not limited to managerial positions with other legal persons, work in state or statutory service,) only by giving advance notice to the Company and the Board.

Article 9. Status and powers of the Board

- 9.1. The Board shall report to the General Shareholders' Meeting.
- 9.2. The powers of the Board shall neither be transferred nor delegated, except for the cases indicated in Article 11 of the Articles of Association.
- 9.3. The powers of the Board do not differ from the ones established in the LoC, except for the additional powers set in Articles 9.4-9.6 and 9.8, of the Articles of Association.
- 9.4. The Board shall also consider and approve:
 - 9.4.1. the annual budget of the Company;
 - 9.4.2. the Company's strategy and strategy execution plan;
 - 9.4.3. the list of documents to be approved by the Board, including but not limited to those specified in the LoC, other legal acts, and these Articles of Association.
- 9.5. The Board shall also adopt:

- 9.5.1. decisions for the Company to become an incorporator or a member of other legal entities as well as decisions regarding the increase and reduction in the number of shares (share, parts) held by the Company, as well as other changes in the rights granted by these shares (shares, parts), regarding the approval of the main conditions of the share subscription contracts.
- 9.5.2. decisions to transfer or mortgage the shares (parts, shares of stock) owned by the Company or the rights granted by them or other legal entities participant's rights to other persons (the approval of the General Shareholder's Meeting is required);
- 9.5.3. decisions regarding the transfer or mortgage of a company belonging to the Company as a property complex;
- 9.5.4. decisions to open branches and representative offices of the Company and to terminate their activities, as well as decisions to approve regulations of branches and representative offices of the Company;
- 9.5.5. decisions to engage the Company in new business activities or to discontinue any specific activity currently performed, unless a respective decision has been adopted when approving the performance strategy of the Company;
- 9.5.6. decisions on investment, transfer or lease of the Company long-term assets the book value whereof exceeds 1/20 of the authorized capital of the Company ¹ (calculated separately for each type of transaction)
- 9.5.7. decisions on the pledge or mortgage of the Company assets the book value whereof exceeds 1/20 of the authorized capital of the Company (calculated for the total amount of transactions);
- 9.5.8. decisions to offer surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/20 of the authorized capital of the Company;
- 9.5.9. decisions to acquire the long-term assets, as well as works or services directly related to investments into long-term assets, the price whereof exceeds 1/20 of the authorized capital of the Company;
- 9.5.10. decisions to approve the main terms and conditions of the agreements on the provision of services by the Company, under which the expected annual turnover may amount to 1/20 of the authorized capital of the Company or the turnover in the preceding calendar year amounted to 1/20 of the authorized capital of the Company, and/or to approve the amendment of such main terms and conditions;
- 9.5.11. decisions to approve the main terms and conditions of the regulations for use of the Klaipeda liquefied natural gas terminal and/or to approve the amendment of such main terms and conditions;
- 9.5.12. decisions to approve the conclusion of peaceful settlement agreements in court (arbitrage) disputes where the amount of claims made to or by the Company

¹ All prices and (or) values indicated in the Articles of Associations are evaluated excluding value added tax (VAT), if such is applicable.

exceeds 1/50 of the authorized capital of the Company or when the claims under consideration will have a significant impact on the Company's operations, the implementation of strategy or the shareholder's Expectations letter, as well as initiation of such disputes;

- 9.5.13. decisions to approve the total annual bonus amount for the employees of the Company, as proposed by the CEO. The CEO's proposal shall be based on the activities performed and the results achieved by the Company in the respective year;
 - 9.5.14. other decisions within the powers of the Board, prescribed in legal acts, the Articles of Association and internal regulations approved by the decisions and resolutions of the General Meeting of Shareholders and the Board, provided these regulations have been approved within the scope of powers of the Company's bodies approving them.
- 9.6. The Board shall also analyze and evaluate other important information for the Company's activities, submitted by the CEO.
 - 9.7. If, according to these Articles of Association, the LoC or other legal acts, the decisions of the Board require the approval of the General Meeting of Shareholders, the decisions of the Board can only be implemented after receiving the approval of the General Meeting of Shareholders. The approval of the General Meeting of Shareholders does not eliminate the Board's responsibility for the decisions made.
 - 9.8. The Board performs the supervisory functions specified in Article 34, Part 11 of the LoC, as well as the following additional oversight functions:
 - 9.8.1. Ensures that an effective internal control system is in place within the Company;
 - 9.8.2. Oversees the functioning of the Company's internal control system and risk management, providing consultations and recommendations to the Company's CEO regarding risk management of internal controls and improving operational processes, as well as ensuring the effectiveness of the internal control system;
 - 9.8.3. Taking into account the recommendations of the Audit Committee and the information provided by the CEO, decides on the appointment and dismissal of the internal audit director, approves the internal audit director's job description, the internal audit budget, and resources required for operations, determines the internal audit director's remuneration, and approves the annual internal audit plan and reports;
 - 9.8.4. Resolves other issues related to the oversight of the Company's and CEO's activities assigned to the Board under the LoC, the Articles of Association, resolutions of the General Shareholders' Meeting, and internal Company documents approved by the Board.
 - 9.9. The Board issues the prior approval for the Company's CEO's decisions regarding the exercise of the Company's rights as a participant in other legal entities (including voting rights in participants' meetings) if the respective legal entity is considered to

be controlled by the Company. This applies when the Company must vote or make decisions as a participant in such a legal entity on matters related to that legal entity:

- 9.9.1. the increase or decrease of share capital (when the increase or decrease exceeds 1/20 of the authorized capital of the legal entity);
- 9.9.2. the approval or amendment of the legal entity's founding documents;
- 9.9.3. the liquidation, reorganization, division, transformation, or termination of the legal entity's activities;
- 9.9.4. decisions to invest, transfer, lease of long-term assets of the balance value exceeding 1/20 of the statutory capital of the legal entity (per each type of transaction);
- 9.9.5. decisions to acquire the long-term assets, as well as works or services directly related to investments into long-term assets or the very long-term assets itself, the price whereof exceeds 1/20 of the authorized capital of the legal entity.

Article 10. Adoption of decisions and procedure of work

- 10.1. Before commencement of the office duties of Board members and the Chairperson of the Board, the Board member contracts have to be concluded with them, the conditions of which shall be established by the General Shareholders' Meeting. If the Board member or the Chairperson of the Board is elected to the position of the CEO or is appointed as a CEO of the structural division of the Company, for such work an employment contract shall be concluded with him. In such case, the member of the Board or Chairperson of the Board must resign from his/her office.
- 10.2. The Rules of Procedure of the Board adopted by the Board implement the order on convening of the meetings and voting in them, as well as other procedural type of questions.
- 10.3. In case the Board member refrains from the adoption of a decision due to his/her conflict of personal interests, and the Board is not able to adopt a decision that relates to the personal interests of Board members concerned, and required quorum for decision-making is not formed for voting on the matter in question, the relevant decision shall be made by the General Shareholders' Meeting.

Article 11. Ensuring business continuity in the absence of the Board

- 11.1. In cases when there are (i.e. there are elected and performing their duties) no more than half of the number of members of the Board specified in the Articles of Association, or the Board is not elected at all, in order to ensure the continuity of the Company's activities and the timely adoption of necessary decisions, the CEO adopts decisions assigned to the competence of the Board established by the Articles of Association and the LoC, as far as this does not violate the requirements of mandatory legal acts. The CEO of the Company must apply to the General Meeting of Shareholders for approval of the relevant transactions.
- 11.2. When the questions assigned to the competence of the Board are adopted by the CEO in accordance with Article 11.1 of the Articles of Association, immediately after the Board

is elected within the terms set by the legal acts, the Board must at the meeting consider all such decisions made during the relevant period and make decisions for the approval or amendment of such decisions, with exception of cases regarding the approval of Company's annual, interim report (if the aim is to make a decision on the allocation of dividends for the period shorter than the financial year) as well as the approval of consolidated annual financial statements of the Group and the Company.

Article 12. Committees of the Board

- 12.1. The Board, in order to increase work efficiency, may decide to form committees tasked with examining and providing the Board with proposals on matters within the respective committees' competence.
- 12.2. All committees established by the Board make recommendations to the Board for their approval. Committees hold no authority for decisions.
- 12.3. The Company establishes an Audit Committee, which provides objective and impartial conclusions and/or recommendations regarding the functioning of internal and external audits, risk management, and control systems within the Company, as well as performs other functions established by the laws of the Republic of Lithuania and the committee's regulations. Additionally, there is a Remuneration and Nomination committee, which prepares and provides recommendations regarding the remuneration policy applied within the Company, the evaluation criteria for the performance of collegial bodies and the CEO, and performs other functions assigned in the committee's regulations. The Company may also establish other committees.
- 12.4. The Company may, alongside the Audit Committee and the Remuneration and Nomination Committee, establish additional committees, which may be composed of members of the Board and external independent members,.
- 12.5. Committees are formed in accordance with the requirements set forth in the laws of the Republic of Lithuania for specific committees and their composition. If the laws of the Republic of Lithuania do not specify requirements for a particular committee or its composition, the committees are formed by a decision of the Board, consisting of at least three (3) Board members, who are appointed for a term not exceeding four (4) years. The term of the committees aligns with the term of the Board.
- 12.6. When appointing committee members, it is ensured that more than half of the members are independent. Independence is determined in accordance with the legal requirements regarding the independence of Audit Committee members of companies listed on the stock exchange, as well as other applicable legal requirements.
- 12.7. If, due to objective reasons related to the need for additional competencies required for the Audit Committee, the Audit Committee cannot be formed in accordance with Article 12.5 of the Articles of Association, the Company's Board may initiate the adoption of a resolution to form the Audit Committee consisting of two (2) members of the Board, at least one (1) of which must be independent and one (1) independent external member. In such a case, the composition of the Audit Committee shall be approved by a resolution of the General Meeting of Shareholders, in accordance with applicable legal requirements.

- 12.8. The working procedure of the committees, the rights and duties of the committee members, as well as the measures to ensure the committee members' activities, are determined by the Board-approved regulations of the respective committees.
- 12.9. Agreements must be made with the committee members regarding their activities within the respective committees.

VI. CEO OF THE COMPANY

Article 13. Appointment of the CEO of the Company

- 13.1. The CEO of the Company shall be elected and removed from the office by the Board which shall also fix his salary, approve his job description, and provide incentives. The CEO shall commence in his office after the election, unless otherwise provided for in the contract concluded with him. A person authorised by the Board must within five (5) days notify the administrator of the Register of Legal Persons of the election or removal from office of CEO as well as the expiry of his contract for other reasons.
- 13.2. The employment contract shall be concluded with the CEO. The term of the employment contract, the rules of the appointment of CEO for the second term of office are as set in the LoC.
- 13.3. The contract with the CEO shall be signed on behalf of the Company by the Chairperson of the Board or by another member authorised by the Board. The contract on full material liability may be concluded with CEO of the Company. If the Company's body which elected the CEO adopts the decision to remove him from the office, his employment contract shall be terminated. Employment disputes between CEO and the Company shall be settled by court.

Article 14. Status and powers of the CEO of the Company

- 14.1. The CEO of the Company is the sole management body of the Company.
- 14.2. The powers of the CEO do not differ from the ones established for the CEO of the company in the LoC, except for additional powers set in the Article 14.3 of the Articles of Association.
- 14.3. The CEO shall also:
 - 14.3.1. ensure the implementation of the Company's business strategy;
 - 14.3.2. implement the Board's decisions;
 - 14.3.3. decide on the appointment and dismissal of the heads of the Company's branches, representative offices, and other legal entities in which the Company is a founder and/or participant.
 - 14.3.4. be responsible for drawing up a draft budget for the Company and ensuring achievement of the results stipulated in the approved budget;
 - 14.3.5. determine and approve the pricing of all products storage and handling services offered by the Company;
 - 14.3.6. be responsible for Financial Statements of the Company and Annual Consolidated Financial Statements of the Company preparation in accordance with International Financial Reporting Standards;

- 14.3.7. supervise the activities of the legal entities controlled by the Company and provides suggestions and conclusions to the Board regarding their organizational structure;
- 14.3.8. make decisions regarding the exercise of the Company's rights as a participant in other legal entities (including voting rights in participants' meetings) if the respective legal entity is considered controlled by the Company, and votes at the general shareholders' meetings of the legal entities controlled by the Company, except for the exceptions outlined in these Articles of Association.
- 14.3.9. If, in accordance with these Articles of Association, the LoC, or other laws, the Company's CEO's decisions require Board approval, the CEO's decisions can only be implemented after obtaining such approval. The Board's approval does not absolve the CEO of responsibility for the decisions made.

Article 15. Adoption of decisions and procedure of work

- 15.1. The work procedure of the CEO shall be set by his job description.
- 15.2. The CEO must keep confidential the commercial (industrial) secrets and confidential information of the Company which he learned while serving in this office.
- 15.3. The CEO has a right to resign from his duties by providing written notification to the Board, which no later than 15 days after the receipt of notification must take a decision to recall the CEO.

VII. NOTICES

Article 16. Procedure of notification

- 16.1. Public information of the Company shall be disclosed as follows:
 - 16.1.1. the Company shall disclose information on material events publicly in the Republic of Lithuania and all the other member states of the European Union as well as in the states belonging to the European economic area according to the procedure established by the Law on Securities;
 - 16.1.2. the Company's public notices shall be published in a manner prescribed by the Government in the electronic publication published by the Register of Legal Entities;
 - 16.1.3. in case every shareholder (or another person who shall receive corresponding information) must be notified individually, the notices shall be sent by email or against acknowledgment of receipt thereof or in some other way allowed by the valid laws or otherwise;
 - 16.1.4. in other cases, the information shall be disclosed by means chosen by the Company in accordance with the procedure established by the requirements of the valid laws.

VIII. FINAL PROVISIONS

Article 17. The governing law

- 17.1. The matters not considered in these Articles of Association shall be regulated by the legal acts of the Republic of Lithuania.

- 17.2. In case of discrepancy between these Articles of Association and the imperative norms of legal acts, the imperative norms of the legal acts shall prevail.

Article 18. Amendment of the Articles of Association

- 18.1. The procedure for amending the Articles of Association does not differ from the procedure established by the LoC. Articles of Association enter into force from the date of registration in the Register of Legal Entities of the Republic of Lithuania.