

**MINUTES OF THE MEETING OF THE BOARD OF
LITGRID AB**

15 February 2019 No. 3
Vilnius

The meeting of the Board of LITGRID AB, legal entity code: 302564383, registered office address: A. Juozapavičiaus g. 13, Vilnius, Republic of Lithuania, data whereof is collected and stored in the Register of Legal Entities of the Republic of Lithuania (hereinafter referred to as the 'Company'), was held on 15 February 2019.

The meeting of the Board was convened in accordance with the procedure of convocation of and voting at extraordinary meetings of the Board established in Points 23.7., 32, 35-36, 48-50 of the Rules of Procedure of the Board of LITGRID AB, approved by Decision No. 3.1. of the Board of LITGRID AB dated 23 September 2016 (Minutes No. 44). The meeting of the Board was held by a written vote of the members of the Board (ballot papers are enclosed).

Members of the Board acknowledged that the meeting of the Board has been convened in accordance with the appropriate established procedures.

All members of the Company's Board attended the meeting:

1. *Algirdas Juozaponis*, Director for Finance at UAB EPSO-G;
2. *Domas Sidaravičius*, CEO and Member of the Board at ERGO Invest SIA;
3. *Nemunas Biknius*, Director for Strategy and Development at UAB EPSO-G;
4. *Rimvydas Štilinis*, Director for Infrastructure at UAB EPSO-G;
5. *Šarūnas Nedzinskas*, Chief Financial Officer at UAB Skuba.

5 (five) out of 5 (five) elected members of the Board in office attended the meeting. Pursuant to Point 49 of the Company's Articles of Association, there is a quorum and the Board can take decisions (having established that there is a quorum, it is considered to be present during the entire meeting).

Chairman of the meeting – *Rimvydas Štilinis*, Chairman of the Board of LITGRID AB and Director for Infrastructure of UAB EPSO-G.

Secretary of the meeting – *Sigita Ropienė*, secretary of the Board of LITGRID AB and assistant to CEO.

The following matter of the **AGENDA** was put for discussion at the meeting of the Board, presentation whereof complies with the Rules of Procedure of the Board of LITGRID AB:

No.	Matters for discussion	Type	Information provider
1.	Concerning creation of fixed assets for a price exceeding EUR 3 000 000 ("LitPol Link Expansion, Stage I") – concerning approval of the essential conditions of the transaction and convocation of the extraordinary general meeting of shareholders	Decision	Rūta Ramanauskaitė, the Acting Head of the Legal Division of LITGRID AB, and Juozas Abaravičius, Senior Project Manager of the Synchronization Programme Management Division of LITGRID AB

1. CONSIDERED: Regarding creation of non-current assets for the price exceeding EUR 3,000,000 (Stage I of the expansion of the LitPol link) - an approval of the main general

terms and conditions of the transaction and calling of an extraordinary general meeting.

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VOTING: 5 (five) votes *in favour*, 0 (zero) votes *against*. Members of the Board voted unanimously *in favour* of the adoption of the decision proposed.

DECIDED:

1. To approve creation of non-current assets (Stage I of the expansion of the LitPol link) and enter into agreement on the procurement of designing and building works with Žilinskis ir Co, UAB (legal entity registration No 304317232, address Užtvankos g. 17, Dainių k., LT-74202 Jurbarko r.), with agreed price of EUR 21,647,000.00 excluding VAT and EUR 26,192,870.00 including VAT.

2. To approve the main general terms and conditions of the Stage I of the expansion of the LitPol link for the procurement of designing and building works:

2.1. General terms and conditions. The Conditions of Contract for Plant and Design - Build for Electrical and Mechanical Plant and for Building and Engineering Works Designed by the Contractor issued by The International Federation of Consulting Engineers ((Fédération Internationale des Ingénieurs-Conceils, FIDIC), the first edition of 1999 (the second adjusted edition in the Lithuanian language, 2007).

2.2. Scope of the project (Object and subject matter of the Agreement). Stages of the Agreement. The Contractor shall undertake to carry out works of the Stage I of the expansion of LitPol link in the territory of the Alytus converter station (the Project). Subject matter of the Agreement. Autotransformers with the power of 400/330 kV, ensuring electrical power capacity of at least 1800 MVA, to be installed in the Alytus converter station. For this purpose works of expansion of the Alytus distribution units with the power of 400 kV and 330 kV are to be carried out, electrical lines are to be installed or restructured and the Alytus distribution unit of 400 kV of the supply for own needs is to be restructured, consequently, expanding the cross-system LitPol link of Lithuania and Poland and ensuring a possibility to interconnect electrical systems of Lithuania and Poland for operations in the synchronous emergency regime (Object).

The Project consists of 3 stages:

Stage I (Sampling of the environmental impact assessment) - to perform procedures of the sampling of the environmental impact assessment of the Object and provide the Client with the sampling conclusions on the environmental impact assessment of the Object.

Stage II (Preparation of the technical project and obtaining of the building permit);

Stage III (Contract works) - to prepare the project of the building works of the Object, to carry out and complete the building works of the Object including successful testings and receiving of and providing the Client with the Statement on the Completion of the Building of the Object.

2.3. Type of the Agreement. Agreement on the environmental impact assessment, design and building contractual works.

2.4. Terms of the Agreement implementation. The Project shall be completed by 31 December 2020. The Agreement shall also include the Contractor's liability during guarantee periods.

2.5. Security of the Agreement. The Contractor shall present to the Client (A) a security of the Agreement. A first demand, irrevocable and unconditional bank guarantee shall be provided. The amount of the security shall be 10 percent of the Agreed Price of the total Project.

2.6. The pricing and the price of the Agreement. The Agreed Price of the Agreement shall be fixed for the total project. A price for each stage of the Agreement shall be fixed separately - an Agreed Price of the Agreement. Price for each stage shall be paid

in instalments and the amount of each instalment shall be specified in the Annex to the draft Agreement as a percentage of the Agreed Price of the Agreement. Payments shall be related to the interim results achieved. The payment schedule shall be specified in an Annex to the Agreement. The pricing rules shall be attached to the Agreement as an Annex.

2.7. Settlement procedure. Payments to the Contractor shall be performed according to payment sheets. The payment term shall be 30 days of the issue date of a VAT invoice in the information system E-invoice. All payments shall be executed in euro.

2.8. Prepayment (an advance payment). The Contractor shall be entitled to a prepayment (an advance payment) - 5 percent of the Agreed Price for the total Project under a condition that the Client is provided with a first demand, irrevocable and unconditional bank guarantee for the advance amount and the security for the implementation of the Agreement.

2.9. General liability limits. The following liability limits of the Parties shall be applicable for direct loss under the Agreement:

(A) The general liability of the Contractor shall not exceed 100 percent of the price of the Agreement.

(B) The liability of the Contractor for delays shall not exceed 10 percent of the price of the Agreement.

- The general liability of the Client shall not exceed 100 percent of the price of the Agreement.
- A fine for the delayed provision of the program - EUR 5,000 for late provision of the initial program.
- A fine of EUR 100 for each delayed day to provide a new program.
- The total liability for delayed provision of a program or an updated program shall not exceed EUR 10,000.
- Compensation for delays. A delay of the Stage I - 0.04 percent on the Agreed Price of the Agreement for each day of the Stage I, payable in euro.
- A delay of Stage II - 0.04 percent on the Agreed Price of the total Agreement for each day of Stage II, payable in euro.
- For the failure to comply with the Critical Date when the Contractor shall provide the Client with final Technical Solutions - 0.04 percent on the Agreed Price of the total Project for each day of the failure, payable in euro.
- A delay of Stage III - 0.04 percent on the Agreed Price of the total Agreement for each day of Stage III, payable in euro.

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ENCLOSED:

Annex 1. NOT PROVIDED:

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1.2. NOT PROVIDED

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Chairman of the Board

Rimvydas Štilinis

Secretary of the Board

Sigita Ropienė

