

**AB “IGNITIS GRUPĖ”  
ARTICLES OF ASSOCIATION**

**CHAPTER I  
GENERAL PROVISIONS**

1. The name of the company shall be AB “Ignitis grupė” (hereinafter referred to as the Company).

2. The legal form of the Company shall be a public limited liability company.

3. The Company shall be an autonomous private legal entity with limited civil liability established for an unlimited period of time and operating under the laws of the Republic of Lithuania. The authorised capital of the Company is divided into parts called shares.

4. In carrying out its activities, the Company shall observe 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, shall constitute the Company’s group of companies. The Company is the parent company of the Company’s group of companies. The Company shall not be liable for the obligations of the Company’s group of companies, and the Company’s group of companies shall not be liable for the obligations of the Company.

6. The financial year of the Company shall correspond to the calendar year.

7. The bodies of the Company shall include the General Meeting of Shareholders (hereinafter referred to as the General Meeting), the Chief Executive Officer of the Company (hereinafter referred to as the Chief Executive Officer), the Supervisory Board as the collegial supervisory body of the Company (hereinafter referred to as the Supervisory Board) and the Management Board as the collegial management body of the Company (hereinafter referred to as the Management Board).

**CHAPTER II  
OBJECTIVES AND OBJECTS OF THE COMPANY’S ACTIVITIES**

8. The objectives of the Company’s activities shall be to perform the functions of patronage of the Company’s group of companies and pursue the objectives of the Company’s group of companies as set out in the National Agenda “National Energy Independence Strategy”, approved by the 26 June 2012 Resolution of the Seimas of the Republic of Lithuania

No. XI-2133, and in legal acts regulating the Company's activities, by ensuring socially responsible enhancement of the long-term value of the Company's group of companies.

9. The objects of the Company's activities shall be:

9.1. performance analysis of the companies of the Company's group of companies, exercise of shareholder rights and obligations, setting of operational guidelines and operational rules, coordination of activities;

9.2. provision of services to the companies of the Company's group of companies and financing of the companies of the Company's group of companies;

9.3. representation of the Company's group of companies.

10. The Company shall have the right to engage in activities which do not contradict the objectives of its 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 shall also seek an appropriate return on the capital invested by a shareholder.

12. The Company may be a participant in other legal entities (except for associations) only if agreed by the General Meeting.

13. When managing the companies of the Company's group of companies, the Company shall determine operational guidelines, rules and indicators of the companies of the Company's group of companies as well as common policies of the Company's group of companies and shall address other matters regarding the management of the Company's group of companies, insofar as this is not contrary to law.

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

14. The authorised capital of the Company is EUR 1,616,445,476.80 (one billion six hundred and sixteen million four hundred and forty-five thousand four hundred and seventy-six euros and eighty cents), divided into 72,388,960 (seventy-two million three hundred eighty-eight thousand nine hundred sixty) ordinary registered shares with a nominal value of EUR 22.33 (twenty-two euros and thirty-three cents) per share.

15. The Company shall issue one class of shares – ordinary registered shares. All shares of the Company shall be uncertificated shares. Personal securities accounts of the

Company's shareholders shall be maintained in accordance with the procedures established in the legal acts regulating the securities market.

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

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

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

#### **CHAPTER V GENERAL MEETING**

18. The procedure for convening the General Meeting is prescribed by the Law on Companies and these Articles of Association. The Company may also enable shareholders to attend and vote at the General Meeting by electronic means.

19. The General Meeting shall have the following competence:

19.1. to change the registered office of the Company;

19.2. to amend the Articles of Association of the Company, except where otherwise provided in the Law on Companies;

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

19.4. to elect and remove an auditor or an audit firm for the auditing of the financial statements of the Company and of the consolidated financial statements of the Company's group of companies, to set the terms and conditions of payment for audit services;

19.5. to elect and remove an auditor, an audit firm or an independent sustainability reporting assurance service provider for the provision of sustainability reporting assurance services;

19.6. to make decisions on the approval of the Remuneration Policy;

19.7. to determine the class, number, nominal value and minimum issue price of the shares issued by the Company;

19.8. to make decisions to convert the Company's shares from one class to another, to establish a share conversion procedure;

19.9. to approve a set of annual financial statements of the Company and a set of annual consolidated financial statements of the Company's group of companies;

19.10. to approve the set of interim financial statements prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;

19.11. to make decisions on the allocation of profit (loss);

19.12. to make decisions on the allocation of dividends for a period shorter than the financial year;

19.13. to make decisions on the formation, use, reduction and liquidation of reserves;

19.14. to make decisions to issue convertible bonds;

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

19.16. to make decisions to increase the authorised capital;

19.17. to make decisions to reduce the authorised capital, except where otherwise provided in the Law on Companies;

19.18. to make decisions for the Company to acquire its own shares;

19.19. to make decisions on the reorganisation or separation of the Company and approve the terms and conditions of the reorganisation or separation, except where otherwise provided in the Law on Companies;

19.20. to make decisions to reorganise the Company;

19.21. to make decisions on the restructuring of the Company;

19.22. to make decisions to liquidate the Company, to cancel the liquidation of the Company, except where otherwise provided in the Law on Companies;

19.23. to elect and remove the liquidator of the Company, except where otherwise provided by law;

19.24. to make decisions on setting the terms and conditions of the contracts referred to in Articles 27 and 34 of these Articles of Association with the members of the Supervisory Board and the Chair of the Supervisory Board regarding activities in the Supervisory Board and regarding confidential information and its protection as well as on the appointment of a person authorised to sign these contracts on behalf of the Company;

19.25. to make decisions on the payment of remuneration to members of the Supervisory Board and on the amount to be paid;

19.26. to agree or not to agree to the consolidated annual management report of the Company's group of companies and the consolidated interim management report of the Company's group of companies, which is submitted together with the set of interim financial

statements prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;

19.27. to agree or not to agree to the decisions of the Management Board referred to in Articles 55.1 (except decisions on becoming a founder or participant of associations) and 55.5 of these Articles of Association;

19.28. to elect and remove the members of the Company's Audit Committee (hereinafter referred to as the Audit Committee) or the Audit Committee, ensuring that the majority of the members of the Audit Committee are independent members;

19.29. to make decisions on setting the terms and conditions of the contracts with the members and Chair of the Audit Committee regarding activities in the Audit Committee and regarding the protection of confidential information, as well as on the appointment of a person authorised to sign these contracts on behalf of the Company;

19.30. to approve the regulations of the Audit Committee;

19.31. to address other matters which fall within the competence of the General Meeting as provided for by the Law on Companies, its implementing legislation or these Articles of Association.

20. The General Meeting may adopt resolutions and shall be deemed to have taken place if it is attended by the shareholders who hold shares carrying more than 1/2 (half) of all the votes.

21. The resolution of the General Meeting shall be deemed to have been adopted when the number of votes cast by the shareholders in favour of the resolution exceeds the number of votes cast against it, except where otherwise provided in this Article. The decisions referred to in Articles 19.2, 19.6-19.8, 19.11-19.14, 19.16-19.17, 19.19-19.21 of these Articles of Association shall be made by adopting resolutions by a majority vote of 2/3 (two-thirds) of the voting rights carried by the shares of the shareholders who participate in the General Meeting. The decision referred to in Article 19.15 of these Articles of Association shall be made by adopting a resolution by a majority vote of  $\frac{3}{4}$  (three-quarters) of the voting rights carried by the shares of the shareholders who participate in the General Meeting.

## **CHAPTER VI SUPERVISORY BOARD**

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

23. The Supervisory Board shall consist of 7 (seven) members – natural persons. At least 1/2 (half) of the members of the Supervisory Board must be independent members. The Supervisory Board shall be 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 limits established by the Law on Companies and its implementing legislation.

24. Supervisory Board members must comply with the requirements set forth in Article 26 of these Articles of Association.

25. The selection of the members of the Supervisory Board shall be carried out in accordance with the legal requirements applicable to the Company. During the selection process, each candidate for the position of a member of the Supervisory Board must submit an application to stand as a candidate for the position of a member of the Supervisory Board and a declaration of good faith, stating therein all circumstances which could give rise to a conflict of interest between the candidate and the Company. In the event of any 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 the shareholders in writing of such new circumstances.

26. The following persons cannot be members of the Supervisory Board:

26.1. the Chief Executive Officer;

26.2. a member of the Management Board;

26.3. a member of the Board, the head or an administrative employee of a company of the Company's group of companies;

26.4. 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;

26.5. an auditor, an assurance specialist, an employee of an audit firm or of an independent assurance service provider who participates and/or has participated in the audit of the Company's financial statements or in the verification of information on sustainability matters which is provided in the Company's management report where less than 2 (two) years have elapsed since the performance thereof;

26.6. a person who is not legally entitled to hold this position.

27. Contracts for activities in the Supervisory Board shall be entered into with the members of the Supervisory Board and shall set out their rights, duties and responsibilities. By the decision of the General Meeting, members of the Supervisory Board shall be paid remuneration for activities in the Supervisory Board. The terms and conditions of the contracts

of the members of the Supervisory Board for activities in the Supervisory Board shall be set by the General Meeting.

28. A member of the Supervisory Board may resign from office prior to the expiration of his/her term of office by giving at least 14 (fourteen) days' written notice to the Company.

29. If a member of the Supervisory Board is removed from office, resigns or for any other reason ceases to hold office and the shareholders of the Company who hold shares carrying 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 office of the existing Supervisory Board.

30. The Supervisory Board shall be chaired by its Chair whom the Supervisory Board shall elect from among its members. The Chair of the Supervisory Board shall convene and chair the meetings of the Supervisory Board. If the Chair 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.

31. The Supervisory Board shall have the following competence:

31.1. to consider and approve the strategy and strategic plan of the Company's group of companies, to analyse and assess information on the implementation of the strategy and strategic plan of the Company's group of companies, to provide this information to the Annual General Meeting;

31.2. to consider and approve the long-term financial plan, the annual budget, the Investment Policy, the risk management plan, the short-term incentive (STI) performance objectives and the long-term incentive (LTI) performance objectives of the Company's group of companies;

31.3. to elect and remove the members of the Management Board;

31.4. to supervise the activities of the Management Board and the Chief Executive Officer;

31.5. to submit comments and proposals to the General Meeting regarding a set of annual financial statements of the Company and a set of annual consolidated financial statements of the Company's group of companies, regarding a draft allocation of the Company's profit (loss) and regarding the consolidated annual management report of the Company's group of companies, as well as regarding the performance of the Management Board and the Chief Executive Officer;

31.6. to submit comments and proposals to the General Meeting regarding a draft decision on the allocation of dividends for a period shorter than the financial year, the set of interim financial statements and the consolidated interim management report prepared for the purpose of making the decision;

31.7. to submit proposals to the Management Board and the Chief Executive Officer to revoke their decisions which are in conflict with laws and other legislation, these Articles of Association or the decisions of the General Meeting;

31.8. to make decisions on setting the terms and conditions of the contracts referred to in Article 45 of these Articles of Association with the members of the Management Board regarding activities in the Management Board, including remuneration for work in the Management Board, and on the appointment of a person authorised to sign these contracts on behalf of the Company;

31.9. to make proposals and recommendations regarding the organisation of the activities and the financial situation of the companies of the Company's group of companies as well as regarding the decisions of the supervisory or management bodies of the Company's group of companies;

31.10. to submit comments and proposals to the Management Board regarding the top priority strategic initiatives portfolio, long-term and annual sustainability plans of the Company's group of companies;

31.11. upon the proposal of the Management Board and/or the Chief Executive Officer, to make 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, the provision of incentives for and the imposition of penalties on him/her;

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

31.13. at the request of the Management Board and/or the Chief Executive Officer, to submit comments and proposals regarding the decisions made or planned to be made by the Management Board and/or by the Chief Executive Officer;

31.14. to consider and submit proposals regarding the auditor or audit firm which shall be elected by the General Meeting for the auditing of the financial statements and regarding the terms and conditions of payment for audit services;



31.15. taking into consideration the opinion of the Company's Audit Committee, to make decisions regarding the Company's transactions planned to be entered into with a related party, as laid down in the Law on Companies;

31.16. to approve the Policy on Related Party Transactions of the Company and the Company's group of companies, including the procedure and conditions for the assessment of related party transactions which are entered into under normal market conditions in the ordinary course of business, as laid down in Article 37<sup>2</sup>(11) of the Law on Companies;

31.17. to submit comments and proposals to the General Meeting and the Management Board regarding the draft Remuneration Policy and draft information on remuneration which is provided in the consolidated annual management report;

31.18. to address other issues relating to the supervision of the activities of the management bodies of the Company and of the companies of the Company's group of companies which are within the competence of the Supervisory Board as stipulated in the Law on Companies, these Articles of Association and the decisions of the General Meeting.

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

33. The Supervisory Board shall have the right to request the Management Board and the Chief Executive Officer to submit documents and information related to the activities of the Company and of the Company's group of companies while the Management Board and the Chief Executive Officer must ensure that such documents and information are submitted to the Supervisory Board within a reasonable time limit.

34. The members of the Supervisory Board must safeguard the confidentiality of any commercial (industrial) secrets and confidential information of the Company and of the Company's group of companies which become known to them when they are members of the Supervisory Board. Contracts for the protection of confidential information shall be entered into with the members of the Supervisory Board, the terms and conditions of which shall be approved by the General Meeting.

35. Decision-making by the Supervisory Board shall be as follows:

35.1. The rules of procedure of the Supervisory Board shall be laid down by the Rules of Procedure of the Supervisory Board adopted by the Supervisory Board.

35.2. The Supervisory Board shall make decisions at the meetings of the Supervisory Board. Minutes shall be taken of the meetings of the Supervisory Board.

35.3. The meetings of the Supervisory Board shall take place at least quarterly. The meetings of the Supervisory Board shall be convened by the Chair 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 the members of the Management Board, the Chief Executive Officer, the heads of the structural units of the Company and/or the members of the supervisory or management bodies of the companies of the Company's group of companies to attend its meetings and must provide explanations to them when addressing the issues related to their activities.

35.4. In the event of the resignation or removal of one or more members of the Management Board, the Chair of the Management Board or the entire Management Board, a meeting of the Supervisory Board shall be convened at which new members of the Management Board or the entire Management Board shall be elected respectively.

35.5. The Supervisory Board may make 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.

35.6. The decision of the Supervisory Board shall be deemed to have been made if the majority of the members of the Supervisory Board attending the meeting vote in its favour. In the event of a tie, the Chair of the Supervisory Board shall have the casting vote. The decision to remove a member of the Management Board may be made if at least 2/3 (two-thirds) of the members of the Supervisory Board attending the meeting vote in its favour.

35.7. The members of the Supervisory Board must attend the meetings of the Supervisory Board and vote in favour of or against each matter 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 any other grounds provided by legal acts or these Articles of Association. A member of the Supervisory Board shall have the right to grant a written power of attorney to another member of the Supervisory Board to represent him/her in voting at the meeting of the Supervisory Board.

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

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

37. Committees of the Supervisory Board:

37.1. The Nomination and Remuneration Committee and the Risk Management and Sustainability Committee (hereinafter referred to as the Committee) shall be formed and operate in accordance with the regulations of the Committees 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.

37.2. The Committees shall examine the issues assigned to their competence in the regulations of the Committees and the issues referred to a 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, shall make decisions within its competence and shall be responsible for these decisions.

37.3. The Committees shall be set up by the decision of the Supervisory Board for a maximum term of 4 (four) years, with 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 office of the existing Committee. The members of the Committees shall be subject to the restrictions set out in Article 26 of these Articles of Association. At least 1/3 (one-third) of the members of a relevant Committee must be independent, unless legal acts provide for a larger number of independent members. A member of the Supervisory Board shall be appointed to hold the office of the Chair of the Committee. If a member of the Supervisory Board is removed from office, resigns or for any other reason ceases to be a member of the Supervisory Board, he/she shall be deprived of his/her office in the Committee.

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

37.5. Contracts for activities in a relevant Committee which, *inter alia*, set out the rights, duties and responsibilities of the members of the Committee may be entered into with the members of the Committees. By the decision of the Supervisory Board, independent members of the Committees may be paid remuneration which cannot exceed the amount of remuneration for an independent member of the Supervisory Board for activities in the

Supervisory Board as set by the General Meeting. The Supervisory Board shall set the terms and conditions of the contracts for activities in the Committee for the members of the Committees.

## **CHAPTER VII MANAGEMENT BOARD**

38. The Management Board is a collegial management body of the Company.

39. The Management Board shall be elected and removed by the Supervisory Board in accordance with the procedure set forth in these Articles of Association and legal acts. The Management Board shall be accountable to the Supervisory Board and the General Meeting.

40. The Management Board shall consist of 5 (five) members elected for a term of 4 (four) years. The Management 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.

41. The members of the Management Board must comply with the requirements set forth in Article 43 of these Articles of Association.

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

43. The following persons cannot be members of the Management Board:

43.1. a person referred to in Articles 26.4 and 26.5 of these Articles of Association;

43.2. a member of the Supervisory Board;

43.3. a member of the Committee or the Audit Committee;

43.4. a person who is not legally entitled to hold this position.

44. The members of the Management Board cannot do any other work or hold any other positions which are incompatible with their activities in the Management Board, including executive positions in other legal entities (except for positions within the Company and the Company's group of companies), work in civil service or statutory service. The members of

the Management 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.

45. Contracts for activities in the Management Board shall be entered into with the members of the Management Board before they take office and shall set out their rights (including the right to remuneration for activities in the Management Board if a decision to pay such remuneration is made), duties and responsibilities. The Supervisory Board shall set the terms and conditions of the contracts for activities in the Management Board.

46. The Management Board shall elect the Chair of the Management Board from its members.

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

48. A member of the Management Board may resign from office before the end of his/her term of office by giving at least 14 (fourteen) days' written notice to the Company in accordance with the procedure laid down by law.

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

50. The Management Board shall consider and approve:

50.1. the top priority strategic initiatives portfolio, long-term and annual sustainability plans of the Company's group of companies;

50.2. the management (organisational) structure of the Company, the list of positions and the maximum number of posts;

50.3. positions to which employees are recruited on a competitive basis;

50.4. the regulations of the Company's branches and representative offices;

50.5. the list of confidential information and commercial (industrial) secrets;

50.6. the procedure for concluding transactions of the Company and the Company's group of companies;

50.7. the procedure for attending and voting at the General Meeting by electronic means.

51. The Management Board shall analyse and assess:

51.1. the draft strategy and strategic plan of the Company's group of companies submitted by the Chief Executive Officer and information about the implementation of the strategy and strategic plan of the Company's group of companies;

51.2. the organisation of the activities of the Company and of the Company's group of companies;

51.3. the financial situation of the Company and of the Company's group of companies;

51.4. the results of the economic activities of the Company, its inventory data and other accounting data on changes in assets;

51.5. the draft Remuneration Policy submitted by the Chief Executive Officer, and shall submit it, together with comments and related proposals, to the Supervisory Board and the General Meeting;

51.6. the drafts of the long-term financial plan, the annual budget, the risk management plan and the Investment Policy of the Company's group of companies, and shall submit them to the Supervisory Board for approval.

52. The Management Board shall consider and approve the consolidated annual management report of the Company's group of companies, which includes information on remuneration, the consolidated interim management report of the Company's group of companies, which is submitted together with the set of annual financial statements prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year, and shall analyse and assess a set of annual financial statements of the Company, a set of consolidated annual financial statements of the Company's group of companies, a set of interim financial statements of the Company prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year, a draft allocation of the Company's profit (loss) and a draft decision regarding the allocation of dividends for a period shorter than the financial year, and shall submit these documents to the Supervisory Board and the General Meeting. The Management Board shall consider and approve the consolidated interim management report of the Company for 3, 6, 9 and 12 months (when prepared).

53. The Management Board shall make decisions on the conclusion of the following transactions (except for cases where transactions meeting the criteria set out below are provided for in the operational budget of the Company):

53.1. acquisition, investment, transfer, lease of non-current assets with a book value which exceeds EUR 3,000,000 (three million) or is lower (in cases specified in the procedure

for concluding transactions which is approved by the Management Board) (calculated separately for each type of transaction), pledge or mortgage thereof (calculated for the total amount of transactions);

53.2. surety or guarantee for the fulfilment of obligations of other entities if the amount exceeds EUR 3,000,000 (three million) or is lower (in cases specified in the procedure for concluding transactions which is approved by the Management Board);

53.3. conclusion of other transactions specified in the procedure for concluding transactions which is approved by the Management Board.

54. When making the decisions referred to in Article 53 of these Articles of Association, the Management Board shall approve the material terms and conditions of these transactions.

55. The Management Board shall make decisions regarding:

55.1. the Company becoming a founder or participant of other legal entities;

55.2. the establishment of branches and representative offices of the Company;

55.3. the approval of nominations for members of the supervisory and/or management bodies of the companies of the Company's group of companies and of the Company's branches and representative offices having regard to the opinion provided by the Supervisory Board when it is provided in accordance with Article 31.12 of these Articles of Association;

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

55.5. the following of the companies of the Company's group of companies which have the status of companies of importance to national security and engage in generation, distribution and supply activities in the energy sector as well as of companies directly controlled by the Company which engage in activities in the energy generation sector:

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

55.5.2. increase or reduction of the authorised capital or other actions that may alter the structure of the authorised capital (e.g. issue of convertible bonds);

55.5.3. reorganisation, separation, restructuring, liquidation, transformation or other actions changing the status of these companies;

55.5.4. transfer of business or a substantial part of it;

55.6. matters regarding operational guidelines, rules and indicators of the companies of the Company's group of companies, common policies of the Company's group of companies and the management of the companies of the Company's group of companies;

55.7. participation and voting in the General Meetings of Shareholders of the companies in which the Company is a shareholder.



56. The Management Board shall make decisions:

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

56.2. to establish the procedure for granting the support of the Company;

56.3 regarding other issues which fall within the competence of the Management Board as well as issues (including issues concerning the conclusion of transactions) which are referred to the Management Board by the Chief Executive Officer.

57. Decisions of the Management Board referred to in Articles 55.1 (except decisions on becoming a founder or participant of associations) and 55.5 (except decisions on the increase or reduction of the authorised capital of companies directly controlled by the Company which do not have the status of companies of importance to national security and engage in activities in the energy generation sector) of these Articles of Association shall require agreement from the General Meeting.

58. If these Articles of Association, the Law on Companies or other legal acts require the General Meeting's agreement to decisions of the Management Board, decisions of the Management Board can be implemented only after agreement from the General Meeting has been obtained. Agreement from the General Meeting shall not eliminate the responsibility of the Management Board for the decisions made.

59. The Management Board shall be responsible for convening and organising the General Meetings in a timely manner.

60. The Management Board, taking into consideration the opinion of the Supervisory Board, shall elect and remove the Chair of the Management Board and the Chief Executive Officer, shall determine the Chief Executive Officer's salary, other terms and conditions of his/her employment contract, approve his/her job description, provide incentives for and impose penalties on him/her in accordance with the procedure laid down in the Law on Companies, its implementing legal acts and these Articles of Association.

61. The Chair of the Management Board elected by the Management Board shall also be appointed as the Chief Executive Officer. If the Chief Executive Officer is removed from office, he/she shall also be removed from the office of the Chair of the Management Board.

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

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

64. The members of the Management Board must safeguard the confidentiality of any commercial (industrial) secrets and confidential information of the Company and the



Company's group of companies which become known to them when they are members of the Management Board.

65. Decision-making by the Management Board and the rules of procedure shall be as follows:

65.1. The rules of procedure of the Management Board shall be laid down by the Rules of Procedure of the Management Board adopted by the Management Board.

65.2. Each member of the Management Board shall be responsible for the analysis of issues which fall within his/her competence – the area of supervision directly related to the work in the Management Board – in respect of which a decision has to be made and for the provision of all necessary information to other members of the Management Board in order for the necessary decisions of the Management Board to be made in a timely manner. The specific areas of supervision of the members of the Management Board shall be defined in the Rules of Procedure of the Management Board.

65.3. The Management Board shall make its decisions in the Management Board meetings. Minutes shall be taken of the meetings of the Management Board. The Management Board shall organise its activities in accordance with the procedure laid down in the Rules of Procedure of the Management Board.

65.4. Meetings of the Management Board must be held at least once every 2 (two) weeks if the Rules of Procedure of the Management Board do not establish otherwise.

65.5. If the Chief Executive Officer resigns or is removed, the Management Board shall immediately decide on the removal of the Chair of the Management Board.

65.6. Meetings of the Management Board shall be convened and chaired by the Chair of the Management Board. In the absence of the Chair of the Management Board, the oldest member of the Management Board shall convene and chair the meetings of the Management Board.

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

65.8. The decision of the Management Board shall be deemed to have been made if the majority of the members of the Management Board attending the meeting vote in its favour. In the event of a tie, the Chair of the Management Board shall have the casting vote.

65.9. The members of the Management Board must attend the meetings of the Management Board and vote in favour of or against each issue considered. A member of the

Management 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 Management Board and the Company. A member of the Management Board has the right to grant a written power of attorney to another member of the Management Board to represent him/her in voting at the meeting of the Management Board.

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

66. The Company must ensure appropriate working conditions for the Management Board and the members of the Management Board in the Management Board by providing technical and organisational means necessary for work. The meetings of the Management Board shall be serviced by the Company's employees responsible for the organisation of the decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

## **CHAPTER VIII CHIEF EXECUTIVE OFFICER**

67. The Chief Executive Officer is a single-person management body of the Company.

68. The Chief Executive Officer shall act on behalf of the Company and enter into transactions at his/her own discretion, except where otherwise provided in the Law on Companies, its implementing legislation and these Articles of Association.

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

70. The Chief Executive Officer shall take office 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 a member of the Management Board authorised by the Management Board.

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

72. The Chief Executive Officer shall act in accordance with laws, other legal acts, these Articles of Association, the decisions of the General Meeting, the decisions of the Supervisory Board and the Management Board as well as his/her job description.

73. The Chief Executive Officer must safeguard the confidentiality of any commercial (industrial) secrets and confidential information of the Company which become known to him/her in the performance of his/her duties in the Company.

74. The Chief Executive Officer shall:

74.1. manage the Company;

74.2. organise day-to-day activities of the Company;

74.3. ensure the implementation of the Company's strategy and strategic plan;

74.4. implement the decisions of the Management Board;

74.5. make decisions regulating the activities of the Company;

74.6. recruit and dismiss employees, enter into and terminate employment contracts with them, incentivise them and impose penalties on them;

74.7. open and close accounts in banks or other institutions of payment service providers and dispose of the Company's funds therein;

74.8. issue authorisations and procurations;

74.9. ensure the protection of the Company's property/assets, the creation of appropriate working conditions for the Company's employees, the protection of the Company's commercial secrets and confidential information;

74.10. submit proposals to the Management Board regarding the annual budgets of the Company and of the Company's group of companies;

74.11. enter into a service provision contract with an auditor or an audit firm or an independent sustainability reporting assurance service provider and ensure the submission of all documents of the Company required for the provision of services;

74.12. be responsible for:

74.12.1. preparation of a set of annual financial statements of the Company and a set of annual consolidated financial statements of the Company's group of companies, preparation of the consolidated annual and interim management reports of the Company's group of companies;

74.12.2. drafting a decision on the allocation of dividends for a period shorter than the financial year, preparation of a set of interim financial statements;

74.12.3. management of shareholders' personal securities accounts and registration of the owners of certificated shares in the Company, except where accounting for uncertificated shares is delegated to account managers;

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

74.12.5. submitting the Company's documents and data to the manager of the Register of Legal Entities;

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

74.12.7. public disclosure of information as prescribed by the Law on Companies in the source specified in these Articles of Association;

74.12.8. submitting information to shareholders;

74.12.9. preparation of the draft long-term and short-term planning documents of the Company's group of companies;

74.12.10. drafting the Remuneration Policy and information on remuneration, and making the approved Remuneration Policy and information on remuneration publicly available on the Company's website;

74.13. perform other functions set forth in laws, these Articles of Association, the decisions of the General Meeting, the decisions of the Supervisory Board and the Management Board as well as the job description of the Chief Executive Officer and address other issues relating to the activities of the Company which do not fall within the competence of other bodies of the Company under law and these Articles of Association.

75. The Chief Executive Officer shall participate and vote in the General Meetings of Shareholders of the companies in which the Company is a shareholder unless he/she delegates the implementation of the decisions of the Management Board regarding participation and voting in the General Meetings of Shareholders to another person.

76. If, under law or these Articles of Association, a decision and/or agreement is required from the General Meeting and/or the Management Board to enter into the Company's transactions or to make other decisions, the Chief Executive Officer may enter into the Company's transactions or make other decisions when such a decision and/or agreement has been made by the General Meeting and/or the Management Board.

## **CHAPTER IX AUDIT COMMITTEE**

77. The Audit Committee shall consist of 5 (five) members appointed by the General Meeting for a maximum period of 4 (four) years, ensuring that the majority of the members of the Audit Committee are independent members. Two candidates for the Audit Committee shall be nominated by the Supervisory Board.

78. The Audit Committee shall elect the Chair of the Audit Committee from among its independent members.

79. 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 24 January 2017.

80. The Audit Committee shall be responsible for the preparation and submission of objective conclusions or proposals to the Company on the operation of the audit and internal control system in the Company's group of companies.

81. The competence of the Audit Committee shall include, but shall not be limited to:

81.1. monitoring the financial reporting and auditing processes of the companies of the Company's group of companies;

81.2. monitoring compliance with the principle of independence of auditors of the companies of the Company's group of companies, audit firms and independent assurance service providers;

81.3. monitoring the effectiveness of the internal control and risk management systems that affect the financial reporting of audited companies of the Company's group of companies and the Company's sustainability reporting, and internal audit systems and processes of the companies of the Company's group of companies;

81.4. preparation and submission of recommendations to the Company regarding the selection, appointment, re-appointment and removal of an external audit company and the terms and conditions of the contract with the external audit company;

81.5. ensuring the effectiveness of the internal audit function in the Company's group of companies;

81.6. providing an opinion to the Company on transactions with related parties as stipulated in Article 37<sup>2</sup> of the Law on Companies.

82. The Audit Committee shall act as the audit committee of the Company's group of companies as a whole.

83. The regulations of the Audit Committee shall be approved by the General Meeting.

## **CHAPTER X PLANNING OF THE COMPANY'S ACTIVITIES, INTERNAL AUDIT AND FINANCES**

84. The activities of the Company and the Company's group of companies shall be planned through the preparation of the long-term and short-term planning documents of the Company's group of companies.

85. A set of financial statements of the Company and a set of consolidated financial statements of the Company's group of companies must be prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania and International Financial Reporting Standards.

86. The structural unit performing the internal audit functions of the Company shall be accountable to the Supervisory Board.

## **CHAPTER XI PUBLICATION OF NOTICES**

87. The Company's notices convening the General Meeting and 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, shall be published in the Central Base of Regulated Information and on the Company's website in accordance with the procedure laid down in this Law.

88. Other information and notices not specified in Article 87 of the Articles of Association, which the Company must make public, shall be published in the electronic publication for public notices issued by the manager of the Register of Legal Entities in accordance with the procedure laid down by the Government.

## **CHAPTER XII PROCEDURE FOR PROVIDING DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS, THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD**

89. At the written request of a shareholder, the Company must, no later than within 7 (seven) days from the date of receipt of the request, make the following documents available

to the shareholder: these Articles of Association, a set of annual and interim financial statements of the Company and a set of annual and interim consolidated financial statements of the Company's group of companies, consolidated annual and consolidated interim management reports of the Company's group of companies, the auditor's reports, audit reports on financial statements, reports on sustainability reporting assurance, minutes of the General Meetings and of the meetings of the Supervisory Board and the Management Board or other documents which formalise the decisions of the bodies of the Company, the Supervisory Board's proposals or comments to the General Meeting, lists of shareholders, lists of the members of the Supervisory Board and the Management Board as well as other documents of the Company which are required to be made public by law unless such documents contain any commercial (industrial) secret or confidential information, and/or must provide the shareholder with copies of the above-mentioned documents.

90. The Company must provide a shareholder with access to all other information of the Company that is not specified in Article 89 of these Articles of Association, which, at the request of the shareholder, must be systematised according to the reasonable criteria specified by the shareholder and/or must provide copies of documents if such information and documents, including information and documents relating to the Company's commercial (industrial) secret and confidential information, are necessary for the shareholder to fulfil the requirements set out in other legal acts and the shareholder safeguards confidentiality of such information and documents. The Company shall refuse to provide copies of documents to the shareholder if it is not possible to identify the shareholder who requested the documents. The refusal to provide the shareholder with access and/or submit copies of documents shall be documented by the Company in writing if the shareholder so requests.

91. Any member of the Supervisory Board or the Management Board shall have the right of access to all documents of the Company and of the companies of the Company's group of companies as well as to all information of the Company and of the companies of the Company's group of companies (including information on the draft decisions of the management bodies that have not been made yet and information on the planned transactions and investments), which, at the request of the person receiving the information, must be systematised according to the reasonable criteria specified by such person. If the Company does not have the documents or information of the companies of the Company's group of companies requested by the members of the Supervisory Board or the Management Board, the Chief Executive Officer must take immediate action in order for the Company to obtain such documents or information. Information and documents provided in accordance with this



Article must be submitted immediately, but no later than within 5 (five) working days from the date of receipt of the respective request. The entities referred to in this Article 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 a separate request from the relevant entity.

92. All information and documents specified in Articles 89–91 of these Articles of Association shall be provided to the shareholders, the members of the Supervisory Board and the Management Board free of charge.

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

93. The branches and/or representative offices of the Company shall be established and their activities shall be terminated by decision of the Management Board. The number of the branches and/or representative offices of the Company shall be unlimited.

94. The branches and/or representative offices of the Company shall operate according to the regulations of the branches and/or representative offices approved by the Management Board.

95. The heads of the branches and/or representative offices of the Company shall be appointed and removed in accordance with Article 53.3 of these Articles of Association and the regulations of the branches and/or representative offices approved by the Management Board.

### **CHAPTER XIV FINAL PROVISIONS**

96. These Articles of Association of the Company shall be amended in accordance with the procedure laid down in the Law on Companies.

97. When the General Meeting makes a decision to amend these Articles of Association of the Company, the full text of the amended Articles of Association shall be drawn up and signed by a person authorised by the General Meeting of Shareholders.

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



99. In the event of any changes in the provisions of laws which result in any conflict between the provisions of these Articles of Association and the changed laws, the laws must be followed until the Articles of Association of the Company are amended.

The Articles of Association were signed on 202 .

The person authorised by the General Meeting:

Chief Executive Officer

Darius Maikštėnas