

AGREEMENT ON THE ACTIVITIES OF MEMBER OF THE BOARD AND MEMBER OF THE COMMITTEE OF AB "KN ENERGIES"

This agreement on the activities of member of the board and member of committee (if applicable) (hereinafter referred to as the "Agreement") was concluded on Date between:

AB "KN Energies", a public company organised and operating under the Lithuanian law, legal entity code 110648893, registered office address Buriu str. 19, Klaipeda, Republic of Lithuania (hereinafter referred to as the "Company"), represented by **Position Name Surname**, acting according to **Basis of authorization**

and

Name Surname, personal code _____, residing at _____ (hereinafter referred to as the "Board Member").

The Company and the Board Member hereinafter collectively referred to as the "Parties" and each individually as the "Party".

WHEREAS:

- (A) On Date Board Member was elected to the Board of the Company by decision of the general meeting of shareholders;
- (B) A model form of this Agreement was approved by the decision of the general meeting of shareholders (minutes No.);
- (C) By this Agreement, the Company and the Board Member seek to establish the principles of Board Member's activities and to determine the rights, obligations, and liability of the Board Member for the performance of his functions on the Board, as well as to regulate the rights, obligations, liability and remuneration of a Board member in cases where the Board member is appointed to serve as a member or chair of a committee.

THE PARTIES AGREE AS FOLLOWS:

1. Appointment of Board Member to serve on a committee

1.1. Board Member may be appointed to serve as a member or chair of a committee established by the Company. If a Board Member is appointed to a committee, the duties performed in such capacity shall be deemed an integral part of the Board Member's functions, and all provisions of this Agreement governing the rights, duties, liability, standards of conduct, remuneration, confidentiality obligations and other rules applicable to a Board Member shall apply, *mutatis mutandis*, to his activities on such committee.

2. Functions of the Board Member

2.1. The Board Member shall perform the functions of Board Member of the Company according to the applicable law, Articles of Association of the Company, decisions of the general meeting of shareholders, Rules of Procedure for the Board, regulations of committees' activities and other internal documents of the Company.

2.2. The Board Member shall act properly, effectively and economically and to perform his duties in accordance with the highest professional standards. The Board Member shall ensure an uninterrupted performance of the functions of Board Member of the Company according to the applicable law, other legal acts and the Articles of Association of the Company.

2.3. The Board Member shall perform his duties personally and shall not assign the functions of the Board Member to third parties either in full or in part.

2.4. Board Member shall be obliged to:

2.4.1. Act fairly and reasonably with respect to the Company, other management bodies of the Company and shareholders of the Company;

2.4.2. Be loyal to the Company;

2.4.3. Act in the interests of the Company and all its shareholders;

2.4.4. Keep trade/industrial secrets of the Company and maintain confidentiality of the Company's confidential information;

2.4.5. Avoid conflicts of interests between the Company and the Board Member (including third parties for the benefit of which the Board Member is acting);

2.4.6. Not use any information that Board Member has gained through the performance of his functions as the Board Member for his own benefit or for the benefit of third parties;

2.4.7. Perform other duties under the applicable law, the Articles of Association of the Company, and Rules of the Procedure for the Board.

2.5. If the Board Member is appointed to serve as a member (or chair) of a committee, such duties shall be performed in accordance with the functions and duties set out in Section 2 of this Agreement.

3. Attending Meetings of the Board

3.1. The Board Member shall attend all meetings of the Board of the Company. Should the Board Member be unable to attend any meeting of the Board, the Board Member shall vote in advance in writing or by means of telecommunications equipment according to the procedure laid down in the Rules of Procedure of the Board.

3.2. The Board Member shall always attend the meetings and shall familiarise himself, prior to every meeting of the Board, with the agenda of the meeting and all the information and documents related to items on the agenda presented to the Board Member. The Board Member shall take an active part in the consideration of the items on the agenda, present his position on all the issues either in writing or orally, and make reasoned proposals for the resolution of the issues being considered.

3.3. The Board Member shall vote either 'for' or 'against' every matter being considered by the meeting of the Board. The Board Member shall not have the right to refuse to vote, abstain or authorise other persons to vote for him, except for cases prescribed by the law when the Board Member must withdraw from voting.

3.4. The Company shall ensure that, in performing his duties, the Board Member has access to the Company's premises, work equipment and other resources necessary for the proper performance of the Board Member's functions.

3.5. All provisions of this Section relating to the Board member's obligation to attend Board meetings, prepare for them, provide information and participate actively shall apply, *mutatis mutandis*, where the Board Member is appointed to serve on a committee and participates in committee meetings, in accordance with the legal acts and the Company's internal documents governing the activities of the relevant committee.

4. No Conflicts of Interest

4.1. By signing this Agreement, the Independent Board Member hereby confirms that he satisfies the independence criteria both when acting as a Board Member and, if appointed, as a member of a committee. Should any circumstances arise causing the independent Board Member to no longer meet the applicable independence criteria in respect of the Board or a committee, he shall promptly notify the Company thereof in writing in accordance with the procedure established in the Rules of Procedure of the Board and the Company's internal documents.

4.2. By signing this Agreement, the Board Member who is a civil servant confirms that, in performing the duties of a Board Member and, where applicable, of a committee member, no conflict of interest exists between him and the Company. Should any circumstances arise that may give rise to a conflict of interest for such Board Member in the Board or on a committee, he shall immediately notify the Company thereof in writing in accordance with the procedure established in the Rules of Procedure of the Board and the Company's internal documents.

5. No Employment Relations

The Parties hereby represent that this Agreement creates a civil legal relationship between the Parties and shall not be interpreted as an agreement creating an employment relationship. Therefore, Board Member, as well as in cases when he is appointed as a committee member, shall not be deemed to be an employee of the Company and shall not be subordinate or accountable to the administration of the Company. Board Member (including duties of committee member if served) shall act solely as a member of management body of the Company and shall assume full responsibility for the performance of its functions and the carrying out of this Agreement.

6. Intellectual Property

6.1. The Parties agree that any property rights and, to the fullest extent not prohibited by applicable law, non-property rights to any intellectual property created by the Board Member during the term of this Agreement, including when he also acts as a committee member,

including, without limitation, copyright works and any other intellectual property created in the course of performing the duties of the Board Member (and/or committee member), shall vest in the Company in full, automatically, for an unlimited period and irrevocably, as the exclusive property of the Company, without any additional remuneration being payable to the Board Member.

6.2. For the avoidance of doubt, the Parties expressly agree that the remuneration payable to the Board Member (including duties of committee member if served) under this Agreement includes remuneration for the creation of all intellectual property objects referred to above, including when committee member duties are performed, and the Company shall have the right to use and dispose of such intellectual property objects at its sole discretion without paying any additional remuneration to the Member of the Board.

7. Remuneration

7.1. The Company shall pay for the activities of the Board Member a remuneration of EUR _____ excluding VAT per month.

7.2. If the independent Board Member is elected as chairperson of the Board, during his tenure as the chairperson, instead of remuneration indicated in the 7.1., the Company shall pay remuneration of EUR _____ excluding VAT per month.

7.3. The Company shall pay for the activities of the Board Member, who is civil servant, a remuneration of EUR _____ excluding VAT per month.

7.4. If Board Member is appointed as committee member, the Company shall pay for the activities of committee member a remuneration of EUR _____ excluding VAT per month.

7.5. If Board Member, appointed as committee member is elected as chairperson of the committee, during his tenure as the chairperson of the committee, instead of remuneration indicated in the 7.4., the Company shall pay remuneration of EUR _____ excluding VAT per month.

7.6. Board Member appointed to serve as a committee member shall be paid separate remuneration for committee activities, which shall be added to the remuneration payable to the Board Member under this Agreement. The remuneration for the duties of a Board Member and those of a committee member shall be cumulative.

7.7. Where a Board Member who is a civil servant is appointed to serve on a committee, he shall not be entitled to any remuneration for performing the duties of a committee member.

7.8. If, in performing the functions of a Board Member, including where he also serves as a committee member, it is necessary to incur reasonable travel expenses (including, but not limited to, travel, accommodation outside the Company's place of business, transportation and meals during travel) related to the performance of such functions, the Company undertakes to cover such reasonable expenses directly or reimburse the member thereof, provided that such expenses have been discussed with the Company in advance.

7.9. The remuneration for the previous month during which the Board Member performed his duties, including where he also serves as a committee member, shall be paid within 15 (fifteen) calendar days from the end of the said month.

7.10. All payments under the Agreement shall be made by a bank transfer to an account of the member specified in this Agreement.

7.11. The remuneration payable to the Board Member, including where also serves as committee member, shall include all applicable taxes and contributions excluding VAT. All the taxes and contributions payable by the member (including those that may become payable in the future) from the remuneration shall be calculated and paid by the Company by transferring them, on behalf of the member or on its own behalf, to the relevant authorities except for cases where current legislation provides for other procedures.

7.12. Upon expiry or termination of this Agreement on any grounds, member shall receive remuneration for the time actually spent for the performance of the activities of the member until the date when the Agreement ceased to be valid. The Company shall settle up with the member in full, on the terms and conditions set out in this Article, within 1 (one) month from the date when the Agreement ceased to be valid.

8. Liability and Indemnification

8.1. The Company shall indemnify the Board Member, including where he also serves as committee member, and hold him harmless against any loss or damages (including reasonable legal assistance costs) that he may incur for any reason related to the activities of the Board member (and/or committee member) except for cases where the loss or damages were caused by a wilful act or gross negligence of the Board Member (and/or committee member). In case of payment of any amounts under this clause to the Board Member (and/or committee member) or any third parties, the Company shall not have the right of recourse action and is not entitled to demand from the Board Member any costs incurred by the Company in relation to indemnification of the Board Member and holding him harmless against any loss or damages, except for cases where the loss or damages were caused by a wilful act or gross negligence of the Board Member (and/or committee member).

8.2. Board Member, including where he also serves as committee member, shall indemnify the Company and hold it harmless against any loss or damages (including reasonable legal assistance costs) that the Company may incur due to breach of this Agreement caused by a wilful act or gross negligence of the Board Member (or committee's member) and/or third party claims (including claims by the shareholders of the Company) in relation to the activities of the Board Member (and/or committee's member) in the Company which results in loss or damages caused by a wilful act or gross negligence of the Board Member (or committee member).

9. Right to Information and Confidentiality

9.1. The Board Member, including where he serves as committee member, shall be entitled to access all documents and all information of the Company and its direct and/or indirect subsidiaries to the extent necessary for the performance of his functions as a Board Member, including, where applicable, as a committee member, subject to the requirements of applicable law, confidentiality obligations and the protection of the legitimate interests of

third parties. Information relating to the Company's or its subsidiaries' counterparties shall be made available to the Board Member without disclosure of excessive or disproportionate data and only to the extent and in the form necessary for decision-making and for the performance of the functions of Board Member and/or committee member. At the request of the Board Member (and/or committee member), such information may be organized in accordance with the reasonable criteria specified by him. If the Company does not possess the requested documents or information of its direct or indirect subsidiaries, the Company undertakes to take immediate steps to obtain them, including through the exercise of the shareholder rights arising from its shareholding in such subsidiaries.

9.2. The Board Member, including where he serves as committee member, shall maintain, during the term of the Agreement and indefinitely upon expiry/termination thereof, confidentiality of the Company's confidential information and shall not disclose it to any third party unless the Company gives its prior written consent. The list of confidential information shall be approved by the Board of the Company.

9.3. The Board Member, including where he serves as committee member, shall sign a confidentiality undertaking not to disclose trade secrets and confidential information of the Company.

10. Notices and Other Information

10.1. Any notices, reports, requests or other documents under the Agreement (hereinafter referred to as the "Notices") shall be sent to the following addresses:

To the Company:

AB „KN Energies“

J. Janonio str. 6B, Klaipeda, 92252

E-mail: info@kn.lt

To the Board Member (and/or committee member):

Address

E-mail

Bank account number

Bank

10.2. The Notice under the Agreement shall be deemed to be duly served if it has been delivered to the above addresses against signature (the receipt by the Company shall be confirmed by a signature of an employee, a member of a management body or another person authorised by the Company) or, if sent via electronic email – a reply has been received by the same method, or sent by registered letter or by courier. The Party shall notify any change in its address, bank details or other data specified in the Agreement to the other Party no later than 5 (five) days after the change. Should the Party fail to notify the change, it shall be deemed that the Notice sent to the last known address has been served properly.

11. Final Provisions

11.1. The Agreement shall take effect on the moment of its signature and shall remain in effect until:

11.1.1. the end of the term of office of the Board Member in the Board of the Company; or

11.1.2. Board Member is recalled from the Board, or the entire Board of the Company is recalled; or

11.1.3. Board Member resigns or is unable to continue working in this position; or

11.1.4. Board Member stops working as the Board Member on other grounds, whichever is earlier.

11.2. The term of office of a committee member shall be aligned with the term of office of the Board Member. If the Board Member ceases to serve as a Board Member on any of the grounds set out in Clause 11.1 or on any other lawful basis, his appointment as a committee member shall automatically terminate on the same date, without the need for any separate decision on removal from the committee.

11.3. Provisions on intellectual property, confidentiality, indemnification, settlement, applicable law and resolution of disputes of this Agreement shall survive termination thereof.

11.4. Board Member, including where he serves as committee member, shall transfer to the Company, no later than on the date of expiry/termination of the Agreement:

(a) any documents obtained or created by him during his activities (including but not limited to any correspondence, notices, agreements or other documents, computer disks, memory keys and cards, software, other optically or electronically readable data carriers); and

(b) any passwords, keys, seals, credit cards, other assets owned by the Company or controlled by it on other grounds, and other items provided to the Board Member (and/or committee member) for use in performing the functions of a Board Member (and/or committee member).

At the Company's written request, Board Member (including, where applicable, when serving as a committee member) shall provide written confirmation that the obligations set out in this Clause have been duly performed.

11.5. Any amendments or additions to this Agreement shall be made in writing and duly signed by both Parties.

11.6. This Agreement, the interpretation and application of its provisions, as well as matters related to its breach, validity or invalidity shall be governed by the Lithuanian law.

11.7. Any disputes, disagreements or claims arising from or related to this Agreement or to its breach, termination or validity shall be settled by negotiations. Should the Parties fail to reach an agreement within 30 (thirty) calendar days, the dispute shall be referred for final settlement to the court of Republic of Lithuania.

11.8. Should any provision of this Agreement be or become invalid in full or in part due to a contradiction to the applicable law or for any other reason, the remaining provisions of the Agreement shall remain fully valid. In such a case the Parties shall negotiate in good faith seeking to replace such provision with a valid provision which would allow to achieve, to the largest extent possible, the same legal and economic result as the provision being replaced.

11.9. The Parties shall not be entitled to assign their respective rights and obligations under the Agreement.

11.10. The Agreement has been made in duplicate in Lithuanian or English language, a copy for each Party or in 1 (one) original where it is signed using a qualified electronic signature.

In witness whereof the Parties have signed the Agreement on the date first above written:

On behalf of the Company:

Board Member:
