

APPROVED BY

Decision of the General Meeting of Shareholders
of AB Grigeo of [date] 2022

**AB GRIGEO
RULES FOR GRANTING SHARES**

Rules for Granting Shares of AB Grigeo (hereinafter - the **Company**) stipulate the conditions and procedure for granting Company's shares (free of charge) to the employees of the Company and its subsidiaries.

1. DEFINITIONS

The following capitalised definitions used in these Rules shall have the following meaning, except where the context explicitly requires otherwise:

- 1.1. **Shares** means the ordinary registered book-entry shares of the Company.
- 1.2. **Company** means AB Grigeo, legal entity's code 110012450, legal address at Vilnius str. 10, Grigiškės, Vilnius City Municipality, Lithuania, details of the Company are compiled and stored in the Register of Legal Persons.
- 1.3. **Friendly Withdrawal Event** any of the following events are considered as a Friendly Withdrawal Event, unless the Option Agreement stipulates otherwise:
- (i) retirement of the Option Recipient;
 - (ii) serious illness/disability of the Option Recipient that prevents the Option Recipient from performing his/her obligations;
 - (iii) death of the Option Recipient;
- provided that there are no circumstances proving that Unfriendly Withdrawal Event has happened in respect of the Option Recipient.
- 1.4. **Group** means the Company and its subsidiaries as defined by the laws of the Republic of Lithuania.
- 1.5. **Unfriendly Withdrawal Event** Unfriendly Withdrawal Event means any (i) material breach of Option Agreement, these Rules or any other document related to the Option made by the Option Recipient, as well as (ii) breach of employment contract or any other agreement concluded between the Company (or a company within the Group) and the Option Recipient, as well as breach the policy, discipline or procedure applied in the Company (or a company within the Group) made by the Option Recipient, as a result of which employment relations between the Option Recipient and respective company within the Group are terminated, unless the Option Agreement stipulates otherwise.
- 1.6. **Option** means a right granted to the Option Recipient with whom the Option Agreement is concluded to take an opportunity to acquire Shares under the conditions and according to the procedure stipulated in these Rules and/or the Option Agreement.

- 1.7. **Option Recipient** means an individual who is included in the list of Option Recipients and to whom the Shares may be granted according to these Rules. Option Recipients may only be the senior managers of the Company or any company within the Group (including the members of the management bodies with whom employment contracts have been concluded) who have worked for the Group for at least 1 (one) year before the day when a decision to include such individual to a list of the Option Recipients is taken.
- 1.8. **Option Event** with regard to each Option Recipient, means a day when a period of 3 years from the day of conclusion of the Option Agreement with the respective Option Recipient is due, unless a different period or individual rules for calculating the period are stipulated in the Option Agreement concluded with a specific Option Recipient according to the decision of the Company's Board.
- 1.9. **Option Agreement** means an option agreement concluded with the Option Recipient and the Company for the granting of Shares according to these Rules that lays down detailed conditions and procedure for granting the Shares.
- 1.10 **Rules** means these Rules for Granting Shares of the Company.

2. DECISION-MAKING IN RELATION TO THE GRANTING OF SHARES

- 2.1. The list of employees of the Group who are recognised as the Option Recipients is approved by the Company's Board.
- 2.2. No pre-conditions for automatic qualification of certain individuals as the Option Recipients are set: in each case, the decision is made at the discretion of the Company's Board.
- 2.3. The list of Option Recipients includes data identifying a respective Option Recipient and a maximum number of Shares that may be granted to him/her. The number of shares for which the Option is granted is set by expressing the number of Shares in units.
- 2.4. Except for requirements stipulated in Item 1.7 of the Rules, unless the Company's Board decides otherwise, no additional conditions for individuals who may be considered as the Option Recipients shall be set.
- 2.5. When deciding on the granting of Shares to a specific Option Recipient, the Company's Board may set conditions the implementation of which is related to the implementation of the Option. Such additional conditions are associated with the performance indicators of the Group and/or specific company within the Group wherein the Option Recipient holds a position, the value of which is set at the decision of the Company's body taken in respect of a specific Option Recipient or group of Option Recipients.
- 2.6. Granting of rights to the Option to the Option Recipients may be divided into vesting periods that are set according to the decision of the Company's Board (a standard period for granting of rights may be set that is applied to all Option Recipients or an individual Option Recipient). Where applicable, such vesting periods are indicated in the Option Agreement concluded with the Option Recipient. Unless the Company's Board decides otherwise, granting of right to Option is not divided into any periods, and all Option rights are granted at once and the Option may be implemented in full in case of Option Event.
- 2.7. When determining the number of Shares granted to the members of Company's bodies, it is necessary to observe the restrictions established in the Company's remuneration policy, if any.
- 2.8. The Shares may not be granted to a person who is a shareholder of the company within the Group and who has 1/20 or more votes conferred by the shares owned.

- 2.9. The Option granted to the Option Recipient may not be sold, transferred, pledged, donated or otherwise assigned or encumbered. In case of any of the above-mentioned circumstances, the Option right granted to the Option Recipient expires without a separate notice.
- 2.10. In case an employee of the company within the Group, who is also a member of the Company's Board is planned to be included in the list of Option Recipients, the decision on the inclusion of such employee to a list of the Option Recipients as well as the decisions assigned to the competency of the Company's Board in these Rules in respect of such Option Recipient are taken by the Company's Supervisory Board.

3. CONCLUSION OF OPTION AGREEMENT

- 3.1. Granting of Option is approved by concluding an Option Agreement with the Option Recipient. Before the conclusion of Option Agreement, no right to acquire the Shares is considered as granted.
- 3.2. Option Agreement has to be concluded with each Option Recipient. The Option Agreement establishes the option right of the Option Recipient to take the opportunity to acquire Shares in case of Option Event and upon implementation of the conditions stipulated in the Option Agreement.
- 3.3. The Option Agreement may not be concluded with individuals who notified the Company or any other company within the Group about the termination of employment relations or submitted any other notice on the resignation from the position held. The Company's Board shall have a right to set any other cases in which the Option Agreements may not be concluded.
- 3.4. Each person to whom the conclusion of Option Agreement is offered is informed hereof by the Company's manager or any other authorised person and is also informed about the maximum number of Shares that may be acquired and is presented with the draft Option Agreement and notified about the period for signing the Option Agreement that is set by the Company's Board.
- 3.5. The template of Option Agreement (including individual terms and conditions of implementation of Option, where applicable) is approved by the Company's Board pursuant to the Rules.
- 3.6. The maximum number of Shares offered to be acquired by the Option Recipient is indicated in the Option Agreement.
- 3.7. The Option Agreement is signed on behalf of the Company by the Company's manager, except for cases where the Company's manager is also the Option Recipient, and, in such case, the Option Agreement is signed on behalf of the Company by an authorised member of the Company's Board who may not be the Company's manager.

4. THE METHOD FOR GRANTING SHARES

- 4.1. The Shares are granted under the Rules free of charge.
- 4.2. The Shares are granted by issuing a new emission of Shares, i.e. by increasing the authorised capital of the Company.
- 4.3. The Shares may be granted when a reserve for granting shares is formed in the Company. The size of the reserve for granting Shares may not be lower than the price of emission of the Shares granted.
- 4.4. Without prejudice to the provisions of Item 4.3 of the Rules, the Option Agreements may be concluded before the emergence of the conditions stipulated therein, however, the reserve for granting the Shares has to be formed no later than before the Shares are granted under the Option Agreements.
- 4.5. If the Company cannot perform its obligation to grant the Shares according to these Rules (in case of insufficient retained earnings for formation of reserve for granting the Shares. etc.),

the Company has a right to assign its rights and obligations under these Rules and/or Option Agreement to a third party that would grant the Shares to the Option Recipient under the conditions that are not less favourable as compared with those if the assignment of the rights and obligations specified in this clause has not happened. In any case, the Company and/or a third person to whom the rights and obligations of the Company are assigned, assume no liability for the fact that any other rules for taxation of the granting of Shares are applied to the Shares granted – all such consequences are assumed by the Option Recipient.

5. EXPIRY OF OPTION

- 5.1. All rights granted to the Option Recipient to acquire the Shares disappear automatically in case of any of the following events:
 - 5.1.1. the Option Recipient implements the Option (in full and in part);
 - 5.1.2. Unfriendly Withdrawal Event occurs;
 - 5.1.3. employment relations between the Option Recipient and respective company within the Group are terminated, unless the Option Recipient and the Company (AB Grigeo) agree otherwise;
 - 5.1.4. the Option Recipient fails to notify about the intention to implement the Option within one month from the Option Event;
 - 5.1.5. the Option Recipient is recognised as untraceable, dead, incapable in any field or unable to perform his/her functions in a due manner due to illness and such circumstances last for over 120 calendar days;
 - 5.1.6. the bankruptcy proceedings are initiated against the Company or any company within the Group where a specific Option Recipient holds a position or a decision on liquidation is taken and/or in case of initiation of liquidation procedure on any other grounds;
 - 5.1.7. any other conditions stipulated in the Option Agreement.
- 5.2. In case of Unfriendly Withdrawal Event, the Option expires, whereas the Option Agreement is considered as terminated from the moment of such event.
- 5.3. In case of Friendly Withdrawal Event, the Option Recipient (his/her successor) has a right to implement the Option by acquiring the number of Shares stipulated in the Option Agreement concluded with specific Option Recipient.

6. REALISATION OF OPTION (GRANTING OF SHARES)

- 6.1. The Company's manager shall, within 10 days from the Option Event, inform the Option Recipient on the opportunity to implement the Option in writing. If any of the circumstances indicated in the Rules or Option Agreement occur in respect of specific Option Recipient that make the implementation of the Option impossible, no notice is required to be sent to the Option Recipient.
- 6.2. In case additional conditions were set to the respective Option Recipient that must be met in order to use the Option as specified in Item 2.5, the Company's manager shall check the respective circumstances. Implementation of the conditions set is approved in the notice sent to the Option Recipient on the possibility to implement the Option.
- 6.3. The Option Recipient, who intends to implement the Option, must inform the Company hereof in writing. The Option Recipient shall inform the Company on the intention to implement the Option no later than within one month from the Option Event.
- 6.4. When the Company receives a notice of the Option Recipient on the intention to implement the Option, the Company's bodies take the necessary decisions and perform the necessary actions for the implementation of Option (the Company's Board convenes the General Meeting of Shareholders, the Company's General Meeting of Shareholders takes decision on the

formation of reserves and increase of the authorised capital (if such decisions are not yet taken), the Company ensures the conclusion of share subscription agreements, etc.). The Company's bodies put every effort to perform such actions without any undue delay and no later than within 3 (three) months from the Option Event.

- 6.5. Detailed provisions regarding the implementation of the right to acquire Shares (Option), also the cases when the Option right or Option Agreement expire and any other essential conditions for granting of Shares are set in the Option Agreement.
- 6.6. Nothing in these Rules shall restrict the possibility to stipulate the cases of expiry of Option rights or the Option Agreement or cases that are not laid down in these Rules - this is to be decided at the discretion of the Company's Board same as with any other provisions of the Option Agreement.
- 6.7. Upon implementation of the Option according to the conditions of the Option Agreement, the ownership right to the Shares is acquired by the Option Recipient from moment when the respective entries are made in the personal securities account of the Option Recipient in accordance with the procedure set by the laws.

7. PROVISION OF INFORMATION ABOUT THE RULES

- 7.1. Information about the Rules, their implementation and any other related information is presented by the Company's Board during each ordinary General Meeting of Shareholders of the Company.
- 7.2. The Rules are published and can be familiarised with on the Company's website at www.grigeo.lt. Information about the Rules can also be provided to the Company's shareholders in accordance with procedure of provision of information stipulated in the Company's Articles of Association.

8. MAXIMUM PART OF SHARES IN THE COMPANY'S AUTHORISED CAPITAL

- 8.1. The maximum number of Shares that may be granted under the Rules may not exceed more than 1,700,000 (one million seven hundred thousand).
- 8.2. The Rules expire when all individuals included in the list of Option Recipients implement the Option, or when the Option granted to them expires for other reasons (i.e., in case there are no more individuals who are considered to be the Option Recipients). The Company's Board takes a decision confirming the occurrence of the above circumstances.
- 8.3. The Shares are considered as granted from the moment of transfer of ownership to the respective Recipient of Option. In any case, throughout the validity of the Rules, the sum of Options granted may not exceed the above-mentioned maximum number of Shares granted.
- 8.4. If the Company undergoes reorganisation, split-up, increase or decrease in the authorised capital during the period from the conclusion of Option Agreement to the acquisition of Shares, in such case, the number of Shares that may be acquired by the Option Recipients by realising the Option will not change, i.e. will remain the same as established in the Option Agreement.

9. RESTRICTIONS OF THE RIGHTS GRANTED BY THE SHARES AND CONDITIONS OF DISPOSITION OF THE SHARES GRANTED

- 9.1. At the decision of the Company's Board, the Option Agreement or any other documents concluded on the basis of Option Agreement with the Option Recipient may stipulate restrictions of the rights granted by the Shares and restrictions and conditions of disposition of the rights granted by the Shares as well as the time limits for application of such restrictions and conditions.
- 9.2. Unless the Company's Board decides otherwise, the right of the Option Recipient to have the disposition of the Shares granted under the Rules is not restricted.

10. FINAL PROVISIONS

- 10.1. No special procedure is set for taking a decision for granting the Shares except that such decision has to be taken pursuant to the Rules and has to be executed in writing (by drafting and signing a decision or minutes of the meeting of the respective Company's body).
- 10.2. The Company's manager shall be liable for the preparation of documents necessary for the implementation of the granting of Shares (share subscription agreements, Option Agreements, etc.) and their submission for approval by the Company's bodies as well as performance of any other actions within its competence.
- 10.3. The Rules shall enter into force on the day of approval thereof.
- 10.4. The Rules are amended and revoked at the decision of the General Meeting of Shareholders that is taken by at least 2/3 of all votes conferred by the shares of the shareholders present in the meeting. Any amendments of the Rules shall enter into force upon approval by the General Meeting of Shareholders of the Company.
- 10.5. If certain issues are not regulated in the Rules, than the provisions of the Law on Companies of the Republic of Lithuania and/or other laws of the Republic of Lithuania shall apply.