

**Joint Stock Company "Latvijas Gāze"
DRAFT RESOLUTIONS
of the extraordinary meeting of shareholders of 31 March 2017**

1. On reorganisation

Whereas:

- The amendments to the Energy industry law of 11 February 2016 prescribe a separation of the distribution system operator from the Joint Stock Company "Latvijas Gāze" (hereinafter – Latvijas Gāze) via establishing a separate capital company and ensuring its independent management in accordance with the provisions of Section 45, Paragraphs two and three of the Energy industry law, to take effect starting 1 January 2018 (Clause 31 of the Transitional Provisions);
- The said provisions in the Energy industry law result from the transposition of the provisions of Articles 26 and 27 of the Directive No.2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;
- The Advisory Council of Latvijas Gāze on its meeting of 16 February 2017 decided to support in concept the establishing of the distribution system operator as a daughter company via a reorganisation of Latvijas Gāze,

the meeting of shareholders decided:

- 1) To support the establishing of the distribution system operator as a new daughter company of Latvijas Gāze via a reorganisation of Latvijas Gāze (Section 336, Paragraphs four and five of the Commercial Law).
- 2) To elect sworn auditor SIA "Grant Thornton Baltic" (licence No. 155) for the examination of the divestiture decision of Latvijas Gāze and the actions related thereto (including drafting an opinion on the sufficiency of the divested assets for the foundation of the new company – Section 377 of the Commercial Law). To determine remuneration for the sworn auditor up to EUR 20 thsd., VAT not included.
- 3) To assign the Management Board of Latvijas Gāze to carry out the necessary actions and draw up the draft documents in order to take the decision of dividing Latvijas Gāze.

2. Election of the Audit Committee and determination of remuneration for the Audit Committee

Whereas:

- the Financial Instruments Market Law sets forth the requirements for the independence of the Audit Committee:
 1. to elect at least three members; and
 2. to elect at least one member of the Council; and
 3. to ensure that majority of the Committee members are independent (are not the Council members, are not employees of Latvijas Gāze or its auditors etc.);
- the Regulation of the Audit Committee of Latvijas Gāze prescribes three Committee members,

the meeting of shareholders decided:

- 1) Taking into consideration the proposals of the shareholders, to elect Latvijas Gāze Audit Committee in the composition of three members for a three-year period:
 1. independent representative – sworn auditor Benita Kudore;
 2. independent representative – sworn auditor Anita Kaņepa;
 3. member of the Council Juris Savickis.
- 2) To determine the remuneration for each Audit Committee member EUR 3,600 per year after tax.

Riga, 28 February 2017

Management Board of the Joint Stock Company “Latvijas Gāze”