

APPROVED

By the decision No [ ] of the General Meeting of Shareholders of AB "Amber Grid" of [ ] April 2019

**TERMS AND CONDITIONS OF THE STANDARD CONTRACT  
CONTRACT NO \_\_\_\_ ON THE ACTIVITIES OF THE INDEPENDENT BOARD MEMBER OF AB "AMBER GRID" IN THE BOARD**

The present contract (hereinafter – **the Contract**) on the activities of the member of the Board of AB "Amber Grid" (hereinafter – **the Board**) (hereinafter – **the Board member**) was entered into on [ ] [ ] [ ] by and between:

**AB "Amber Grid"**, the Public Limited Liability Company incorporated and operating under the laws of the Republic of Lithuania, code of the Register of Legal Entities 303090867, registered office address: Savanorių ave. 28, LT-03116 Vilnius, Lithuania (hereinafter – **the Company**), represented by the Director General Saulius Bilyš, acting in accordance with the Articles of Association of the Company,

and

[ ], personal number [ ], residing at [ ].

The Company and the Board member hereinafter both together are referred to as **the Parties** and each separately as **the Party**.

**WHEREAS:**

- (A) the Board member by the decision of the Company's General Meeting of Shareholders of [ ] [ ] [ ] was elected to hold the position in the Board of the Company;
- (B) on [ ] [ ] [ ] the Company's General Meeting of Shareholders adopted the decision on the determination of the amount of remuneration for independent members;
- (C) on [ ] [ ] [ ] the Company's General Meeting of Shareholders approved by the decision the standard terms and conditions of the Board member's contract on the activities of the Board member,

**THE PARTIES AGREE AS FOLLOWS:**

**1. Functions of the Board member**

1.1. Hereby the Board member undertakes to perform the duties of the Board member arising out of the applicable legislation, the Articles of Association of the Company, as well as from the decisions of the Company's Meeting of Shareholders, the Board's Rules of Procedure and other internal documents of the Company.

1.2. Given the fact that the Company belongs to "EPSO-G" group of companies (hereinafter – **the Group of companies** or **the Group**), whose parent company is UAB "EPSO-G", acting on the basis of the documents of this group of companies approved in the Company and acting together with other persons elected to the Board, the Board member undertakes to act as the body of the Group who adopts the top level management solutions of the Group, on the issues attributed to the competence of the Board of the Company, and to perform other functions delegated to the Board of the Company.

1.3. The Board member undertakes to act properly, efficiently and economically, and to perform his / her duties in accordance with the highest professional standards, acting for the benefit of the Company and all shareholders of the Company, and pursuing the Company's objectives set forth in the Articles of Association of the Company and other Company's internal documents. The Board member must ensure that the functions of the Board member provided for in applicable laws and other legal acts, and in the Articles of Association of the Company are implemented continuously.

1.4. The Board member must perform his / her duties in a personal capacity and shall not be entitled to assign or delegate the execution of all or part of the functions of the Board member to third parties, except the right to authorize another member of the Board to vote instead of himself / herself.

1.5. The Board member has the following duties:

1.5.1. to act with common sense and fairness in respect of the Company, other bodies of the Company and the Company's shareholders;

1.5.2. be loyal to the Company;

1.5.3. to act in the interests of the Company and all its shareholders;

1.5.4. to protect trade (industrial) secrets and confidential information of the Company as provided for in the present Contract and internal documents;

1.5.5. to avoid conflicts of interest between the interests of the Company and the Board member (including the interests of the third parties in whose favour the Board member must act);

1.5.6. not to use, for the benefit of his / her own or of third parties, information which the Board member has learned in the performance of his / her functions as the member of the Board of the Company;

1.5.7. for the purpose of effective planning and organisation of the Board's meetings, to inform the Company in advance about planned holidays, business trips or any other busyness that may hinder his / her participation at already planned meetings of the Board of the Company or those that are being planned, of which he / she was duly informed in advance;

1.5.8. the Board member must refrain from any public statements, publications, comments on his / her activities in the Board and / or in the Company which are not agreed with the Company in accordance with the procedure set forth in the internal documents, and given that the shares of the Group's companies are listed on the stock exchange – not to disclose publicly or to any third parties any information that would be considered insider information under applicable law, or any other information that may directly or indirectly affect the value of the shares of the Group's companies, except for cases directly provided for by law related to the direct performance of his/her duties as the Board member, and in cases where the representative who represents the Republic of Lithuania in the Board has to coordinate the powers with the head of the institution in which he/she works, in accordance with the procedure established by the domestic legislation;

1.5.9. should the Board member be appointed by a decision of the Board to perform certain specific tasks, or to permanently or temporarily mentor certain issues attributed to the competence of the Board, the Board member must provide the other members of the Board with regular information about the task he / she carries out, the issue(-s) mentored by him/her, to prepare activity reports in accordance with the procedure established by the Board and to present them to the Board for consideration;

1.5.10. to independently on a constant basis improve his/her knowledge and qualification which is necessary for proper performance of the functions of the Board member, and seeking comprehensive understanding of the Company's activities, efficient execution of tasks and professional decision making;

1.5.11. to perform other duties as determined by applicable law, the Articles of Association of the Company and the Rules of Procedure of the Board.

1.6. The Board member has the following rights:

1.6.1. to receive, free of charge, from the Company and its bodies all the information and documents necessary for the performance of his/her functions in the Board, which the Company has at its disposal;

1.6.2. to receive the remuneration of an amount specified in the present Contract for the proper performance of the duties of the independent Board member;

1.6.3. the right of initiative to convene the Board meeting, and the right to put questions to the agenda of the Board meeting being initiated or convened in accordance with the Articles of Association of the Company and applicable legislation;

1.6.4. in case of objective need, to use the Company's resources in individual cases which are necessary to ensure proper functioning of the Board member;

1.6.5. as well as other rights granted by applicable law, the Articles of Association of the Company and the operating rules of the Board.

## **2. Participation at the Board meetings**

2.1. The Board member must be present at all meetings of the Board, unless it is impossible to do so for important justified reasons. In such exceptional cases, the Board member who is unable to participate directly at the Board meeting must vote in advance in writing or to vote by means of telecommunication equipment in accordance with the operating rules of the Board, or, if there is no possibility to vote in writing or to vote by means of telecommunication equipment, must authorize another member of the Board to vote instead of himself/herself in accordance with the legal acts.

2.2. The Board member must always attend the meetings, having familiarized himself with the agenda of the meeting and with all the information and documents provided to him/her that are related to the matters in question. The Board member must actively participate in discussing the issues on the agenda of the meeting, to express his / her position in writing or orally on all the issues in question, and to make reasoned suggestions for the resolution of the issues under consideration.

## **3. Voting at the Board meetings**

3.1. The Board member must vote for or against each issue discussed at the Board meeting, except when a matter relating to the activities of the Board member in the Board or the matter of the responsibility of the Board member is dealt with at the Board meeting, or except where, under applicable law, the Board member is unable to vote or his/her voting would create conflict of interests between the Company and the Board member. In such cases, the Board member must recuse himself/herself and not participate when the Board discusses or/and deals with a specific matter.

3.2. The Board member shall not have the right to refuse to vote, to abstain from voting, except in cases prescribed by legal acts when the Board member must refuse to vote (to recuse himself/herself from voting). The Board member shall also have no right to authorize other persons to vote for him/her, except in exceptional cases covered by the present Contract.

## **4. Provision of technical and organizational measures to ensure the performance of the Board member**

The Company will ensure that, in the performance of his/her duties, the Board member may, in an individual case, use the resources of the Company which are necessary to ensure the proper functioning of the Board member. In such case, the Board member must inform the Company in advance, in accordance with the procedure established by the Company's internal legislation, on the existent need.

## **5. Absence of conflict of interest and the right to have alternative employment**

5.1. Consent of the Board member to stand for the position of the Board member and a declaration of interests indicating any circumstances that might give rise to a conflict of interest between the Board member and the Company, are annexed to the present Contract. Should the circumstances specified in the documents enclosed to the Contract, that could give rise to a conflict of interest between the Board member and the Company, arise during the term of the contract, the Board member must immediately notify the Board and the Company in writing of such new circumstances.

5.2. The Board member may have alternative employment or take up an alternative post that would be compatible with his / her activities in the Board, including, but not limited to, holding managerial position in other legal persons, work in a state or statutory office, duties in the Company and other legal persons, only after informing the Board thereof in advance.

5.3. By signing the present Contract, the Independent Board Member confirms his/her independence as the Independent Board Member in accordance with the criteria established in the Corporate Governance Code for the Companies Listed on NASDAQ stock exchange, and other requirements of applicable law regarding independent members of the Board of the Company. At the request of the Board of the Company, the Independent Board Member must additionally confirm his/her independence by providing information to that effect.

## **6. Absence of employment relations**

The Parties hereby confirm that the present Contract establishes civil legal relationship between the Board member and the Company. The present Contract cannot be construed as creating an employment relationship between the Parties. Accordingly, when exercising his/her functions as the Board member, the Board member may not be considered an employee of the Company and is not subordinate or accountable to the Company's administration. Under the present Contract, the Board member acts only as the Board member of the Company and assumes full responsibility for the performance of his/her functions as the Board member, and for proper performance of the present Contract.

## **7. Additional restrictions related to the mandatory requirements of legislation for unbundling natural gas transmission activities:**

7.1. The Board member undertakes to comply throughout the term of the Contract with any additional restrictions imposed by applicable law that are related to the unbundling of natural gas transmission activities, including but not limited to:

- 7.1.1. not participate in the supervisory and management bodies of the company engaged in activities of extraction, distribution, supply of natural gas and / or generation of electricity, and not to be the administration member of such company;
- 7.1.2. not to control neither directly nor indirectly an individual who is engaged in activities of extraction, distribution and supply of natural gas in the supervisory and management bodies, and/or activities of generation, distribution and supply of electricity, or not have any rights over such an individual (the rights referred to above include, in particular, the powers to exercise voting rights, the powers to appoint members of the supervisory bodies, the management bodies and of the administration, holding of portfolio that grants more than 5 percent of shares and votes in the General Meeting of Shareholders of the Company, and disposition of it);
- 7.1.3. not to participate in the management of energy companies trading or intending to trade on the energy stock exchange, including not to have powers to exercise voting rights in such companies and/or to appoint members of the supervisory bodies, the management bodies and of the administration of such companies;
- 7.1.4. to act independently in decision making, independently from commercial or other interests of other entities engaged in activities of extraction, distribution and supply of natural gas, in the supervisory bodies and the management bodies, and/or in activities of generation, distribution and supply of electricity, or of stakeholders;
- 7.1.5. to take all appropriate measures within his/her competence to ensure compliance with the requirements laid down in applicable legislation relating to the unbundling of natural gas transmission activities.

7.2. The Board member also undertakes not to hold himself / herself and undertakes to make reasonable efforts to ensure that his close persons do not hold the position of the supervisory body, the management body or member of the administration during the term of the Contract in the energy companies engaged in natural gas extraction or electricity supply activities on the basis of employment contract or civil contract, or not to participate otherwise in the management or supervision of these companies; also not to participate in the management of energy companies trading or intending to trade on the energy stock exchange, including not to have powers to exercise voting rights in such companies and/or to appoint members of the supervisory bodies, the management bodies and of the administration of such companies. This restriction, inter alia, includes the provision of any advice or other intellectual services to designated companies.

7.3. Whereas an individual holding the position of the member of the supervisory body, of the management body or of the administration in the energy company engaged in electricity generation, distribution and/or supply activities, or in natural gas extraction, distribution and/or supply activities, or otherwise participating in the management or supervision of these companies, in the management of energy companies trading or intending to trade on the energy stock exchange, officials and employees of institutions regulating the activities of entities operating in the field of provision of energy services and performing state energy supervision, and other persons who under applicable legal acts cannot hold this position cannot be the Board member, the Board member undertakes to avoid such circumstances and, upon their occurrence, to inform the Board and the

Company of their occurrence without delay, and to resign immediately from the Board of the Company, and from the moment of their occurrence to the moment of his/her resignation recuse himself/herself from making any decisions that may lead to a conflict of interest with his/her activities in the Board of the Company.

## **8. Intellectual property**

The Parties hereby agree that the property and, to the extent not prohibited by applicable law, the non-property rights towards all items of intellectual or industrial property that were developed by the Board member during the term of the present Contract, that are directly related to activities of the Board member under the present Contract, including copyrighted items, goods, service marks, products, and industrial designs as well as other items developed during the execution of the Board member's duties becomes and is fully, automatically, indefinitely and irrevocably owned by the Company without any remuneration, and the Company has the right to dispose of such items at its sole discretion without paying any additional remuneration to the Board member, except for the remuneration provided for in item 9 of the present Contract for the activities in the Board of the Company.

## **9. Remuneration for the activities in the Board and reimbursement of expenses incurred**

9.1. The Company undertakes to pay a remuneration of 60 (sixty) euros (before tax) for the activities of the Board member for 1 (one) hour actually spent on activities of the Board member, but in all cases not more than 1 200 (one thousand two hundred) euros (before tax) per calendar month, and if the Board member will be appointed to hold the position of the Chairman of the Board - 1 560 (one thousand five hundred sixty) euros (before taxes) per month of the maximum amount of remuneration.

9.2. The remuneration shall be paid monthly within 15 (fifteen) calendar days from the date of submission of a transfer – acceptance act to the Company. At the end of the calendar month during which the Board member acted as the Board member, the Board member must not later than until the 5th day of the current calendar month submit a transfer – acceptance act to the Company concerning his/her activity as the Board member. The Board member must present in detail in the transfer-acceptance act the time actually spent during the month as the Board member and the nature of the activities. The Company, upon receipt of a transfer-acceptance act, has the right to request clarification of the information specified therein.

9.3. The remuneration paid to the Board member includes all fees and contributions applicable to the Board member as the recipient of the remuneration. All taxes and contributions payable by the Board member (including those that may be determined in the future) shall be calculated and paid by the Company in relation to the receipt of remuneration under the present Contract, by transferring the relevant taxes and contributions to the administering institutions on behalf of the Board member or on its own behalf, except where the legal acts in force provide for another procedure.

9.4. If the performance of the functions of the Board member requires incurrence of the costs, that are reasonable from the Company's point of view (including, but not limited to, costs of travel, accommodation in the places other than the place of the Company's activities, transport, meals during travel, if necessary, reasonable costs of the remuneration for the services of external advisors, auditors, lawyers, etc.), that are related to the performance of the functions of the Board member, the Company undertakes to cover directly or indemnify such reasonable costs actually incurred by the Board member if they were discussed in advance and agreed with the Company in accordance with the procedure and terms established by internal legal acts as per the documents provided that support such costs.

9.5. All payments under the present Contract shall be made by transfer to the Board member's bank account referred to in item 12.1 of the present Contract.

9.6. Upon expiry of the present Contract on any grounds, the Company, in accordance with the conditions set forth in this section of the Contract, undertakes to settle fully with the Board member within 1 (one) month of the date of expiry of the present Contract.

## **10. Liability of Parties to the Contract and Compensation for Loss**

10.1. The Company undertakes to indemnify the Board member and protect him/her from any loss or damage (including reasonable costs for legal assistance) that may be incurred by the Board member for any reason related to the Board member's activities in the Board, except where such loss or damage incurred by the Board member arose from the intentional or gross negligence of the Board member.

10.2. During the term of the present Contract, the Company undertakes to provide the Board member with a civil liability insurance of the legal persons' bodies.

10.3. The Board member undertakes to indemnify the Company and protect it from any loss or damage (including reasonable costs for legal assistance) that it may incur as a result of breach of the present Contract by the Board member and/or the claims of third parties, including the Company's shareholders, related to the activities of the Board member in the Board or the results of those activities, when such loss or damage incurred by the Company arose from the intentional or gross negligence of the Board member.

10.4. If the Board member violates the additional restrictions provided for in the Article 7 of the present Contract, the Company shall also have the right to require the Board member who has violated them: to pay a fine of 3,000 (three thousand) euros for each case of violation.

10.5. Other contracts concluded between the Board member and the Company may provide for the obligation for the Board member to comply with the obligations, as per understanding between the Parties, that are analogous to those that are provided for in the Article 7 of the present Contract, that would also apply after the expiry of the present Contract, by paying compensation of an amount agreed between the Parties.

## **11. Right to information and confidentiality**

11.1. The Board member has the right of access to all documents of the Company and its direct and / or indirect subsidiaries, and all information of the Company and its direct and / or indirect subsidiaries (except such documents and information which are directly and / or indirectly related to the data, documents and information of the contractors of the Company and its direct and / or indirect subsidiaries acquired, learned or otherwise legally acquired by the contractors of the Company and its direct and / or indirect subsidiaries) that, at the request of the Board member, may be systematized according to the reasonable criteria specified by the Board member. If the Company does not have the requested documents or information of the Company's direct and / or indirect subsidiaries, the Company undertakes to take immediate actions to receive such documents and information, including the exercise of the rights conferred by the shares of the subsidiaries held by the Company.

11.2. Considering that the Company will also pass on other information constituting a confidential, trade (industrial) secret for the performance of the activities of the Board member, the Board member undertakes to abide to a sensitive information policy of UAB "EPSO-G" group of companies.

11.3. The Board member shall sign, together with the present Contract, but not later than until the commencement of his/her activities in the Board of the Company, a confidentiality agreement not to disclose trade secrets and confidential information of the Company. Such the agreement shall be considered as an integral annexed to the present Contract.

## **12. Notices and other information**

12.1. All notices, requests, written claims or other documents under the present Contract ("Notices") shall be sent to the following addresses:

### **To the Company:**

AB "Amber Grid"  
Savanorių ave. 28, LT-03116 Vilnius, Lithuania  
[info@ambergrid.lt](mailto:info@ambergrid.lt)

### **To the Board member:**

[forename, surname]  
[address]  
[e-mail]  
Account No [ ]

12.2. All notices under the present Contract shall be deemed to have been duly served when they are delivered to the above addresses, including by e-mail (if e-mail address of the Company is provided, all Notices shall only be sent to the Company's e-mail), or shall be sent by a registered letter or through courier. Each Party must

notify the other Party of any changes in its address, bank account or other data specified in the present Contract no later than within 5 (five) days after such change. If the Party fails to notify of the change of address, then sending a Notice to the last available address is considered appropriate.

### **13. Final provisions**

13.1. The present Contract shall enter into force from the moment of its signing and is valid until the earliest of the following dates:

13.1.1. the term of office of the Board member as the member of the Board of the Company expires;  
or

13.1.2. the Board member is revoked from the Board of the Company or the entire Board is revoked;  
or

13.1.3. the Board member resigns or is unable to resume his/her duties; or

13.1.4. the Board member ceases to hold the position of the Board member on another basis.

13.2. The provisions of the Contract on intellectual property, confidentiality, indemnification of loss, settlement, applicable law and dispute resolution shall remain in force after the expiry of the present Contract.

13.3. The Board member undertakes not later than on the day of the expiry of the Contract:

13.3.1. to pass on to the Company all the paper documents in his/her possession that he/she has received during the performance of the activity (including, but not limited to, correspondence, notices, contracts, other documents, as well as computer discs, USB keys and cards, computer software, other optically or electronically readable information media which the Company has transferred to the Board member in accordance with an act of transfer-acceptance) and that form a trade secret and/or confidential information;

13.3.2. to pass on to the Company all passwords (except where electronic passwords have been provided or such passwords have been transmitted in a different form of electronic correspondence), keys, stamps, credit cards, property owned by the Company or managed by the Company on other grounds and other things that were handed over to the Board member to be managed and/or used by the Board member in connection with his/her activities in the Board;

13.3.3. when a dedicated software is used, to destroy the information of the Company's internal use, confidential information, the one that forms a trade (industrial) secret of the Company, that was received during the term of office of the Board member and that was stored in electronic media and devices.

13.4. Any amendments of or additions to the present Contract shall be made in writing and signed by both Parties in an appropriate manner.

13.5. The law of the Republic of Lithuania shall apply to the present Contract, interpretation and application of its terms and conditions, as well as matters related to its violation, validity or invalidity.

13.6. All disputes, disagreements or claims arising out of the present Contract or related to the present Contract, its violation, termination or validity shall be settled by negotiation. If the Parties fail to settle the dispute amicably within 30 (thirty) calendar days, the dispute shall be finally settled in Vilnius Court of Commercial Arbitration in accordance with its regulation. The Arbitration Court will be in Vilnius. The number of arbitrators will be three. The language of the arbitration will be Lithuanian.

13.7. If any clause of the present Contract is wholly or partly invalid or becomes invalid due to its contradiction with the applicable law or for any other reason, the remaining clauses of the present Contract will remain in full force and effect. In such case, the Parties will, in good faith, negotiate and endeavour to replace the aforementioned wholly or partially null and void clause with another valid clause which, as far as possible, would allow achieving the same legal and economic result as the clause of the present Contract which will be amended in this way.

13.8. Neither Party may assign its rights or obligations under the present Contract except as provided herein.

13.9. The present Contract is made in duplicate in Lithuanian language, one copy is given to each Party.

Annexes to the Contract (an integral part of the Contract):

**Annex No 1.** The Board member's consent to stand for and declaration of interests;

**Annex No 2.** Confidentiality agreement with the Board member.

**To confirm all the foregoing, the Parties have signed the present Contract on the abovementioned date:**

**On behalf of the Company:**

**The Board member:**

\_\_\_\_\_  
Saulius Bilys  
Director General

\_\_\_\_\_  
[ ]