

APPROVED

by the Order No 1K-226 of the Minister of  
Finance of the Republic of Lithuania of  
30 July 2020

(wording of the Order No 1K-284 of the  
Minister of Finance of the Republic of  
Lithuania of 26 August 2020)

## **AB IGNITIS GROUP**

### **ARTICLES OF ASSOCIATION**

#### **CHAPTER I**

##### **GENERAL PROVISIONS**

1. The name of the company is AB “Ignitis grupė” (hereinafter – the Company).
2. Legal form of the Company – public limited liability company.
3. The Company is an autonomous private legal entity of limited liability established for an unlimited period and operating under the laws of the Republic of Lithuania. The authorized capital of the Company is divided into units which are known as shares.
4. In the course of its activities the Company observes 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, constitutes the Group of Companies of the Company. The Company is the parent company of the Group of Companies of the Company. The Company shall not be liable for the obligations of the Group of Companies of the Company, while the Group of Companies of the Company shall not be liable for the obligations of the Company.
6. The financial year of the Company corresponds to the calendar year.
7. The bodies of the Company are the General Meeting of Shareholders (hereinafter - the General Meeting), the head of the Company – the Chief Executive Officer of the Company (hereinafter – the Chief Executive Officer), a collegial supervisory body of the Company – the Supervisory Board (hereinafter – the Supervisory Board) and a collegial management body of the Company – the Board (hereinafter – the Board).

#### **CHAPTER II**

##### **OBJECTIVES AND OBJECTS OF THE COMPANY'S ACTIVITIES**

8. The objectives of the Company's activities: to execute the functions of patronage of the Group of Companies of the Company and pursue the objectives of the Group of Companies set out in the National Energy Independence Strategy, approved by the 26 June 2012 resolution of the Seimas of the Republic of Lithuania No. XI-2133 "On the Approval of the National Energy Independence Strategy", and legal acts regulating the Company's activity ensuring socially responsible enhancement of the long-term value of the Group of Companies.

9. Objects of the Company's activities:

9.1. Performance analysis of the companies of the Group of Companies of the Company, the exercise of shareholder rights and obligations, setting operational guidelines and operating rules, coordination of activities;

9.2. provision of services to the companies of the Group of Companies of the Company, and financing of the companies of the Group of Companies of the Company;

9.3. representation of the Group of Companies of the Company.

10. The Company has the right to engage in activities that do not contradict its objectives of 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 also seeks an appropriate return on the capital invested by the shareholder.

12. The Company can be a participant in other legal entities (except for associations) only subject to the approval by the General Meeting. When managing the companies of the Group of Companies of the Company, the Company determines the following of the Company's Group of Companies:

12.1. operational guidelines and operational rules;

12.2. annual financial plans;

12.3. the annual rate of return on assets;

12.4. maximum amounts of debt obligations;

12.5. other activity parameters;

and addresses other issues of the management of the Group of Companies of the Company, insofar as this is not contrary to law.

## CHAPTER III

## **AUTHORIZED CAPITAL AND SHARES OF THE COMPANY**

13. The authorized capital of the Company is EUR 1,212,156,293.81 (one billion two hundred and twelve million one hundred fifty-six thousand two hundred ninety-three euros and 81 cents), divided into 54,283,757 (fifty four million two hundred and eighty three thousand seven hundred and fifty seven) ordinary registered shares with the nominal value of 22,33 Eur (twenty two euros, thirty three euro cents) per each share.

14. The Company issues shares of one class – ordinary registered shares. All shares of the Company are uncertificated shares. The shares shall be recorded by the entries in the personal securities accounts of the shareholders which are opened and maintained by the Company in accordance with the procedure established by the legal acts regulating the management of securities accounts of shareholders. At the request of the shareholder, the Company must issue a statement from the securities account of the shareholder stating the number of shares and other information established by the legal acts regulating the activities of public limited companies.

## **CHAPTER IV**

### **SHAREHOLDERS AND THE RIGHTS OF SHAREHOLDERS**

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

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

## **CHAPTER V**

### **GENERAL MEETING**

17. The procedure for convocation of the General Meeting is prescribed by the Law on Companies and these Articles of Association.

18. Competence of the General Meeting:

18.1. to change the registered office of the Company;

18.2. to amend the Articles of Association of the Company, except as provided by the Law on Companies;

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

18.4. to elect and remove an auditor or an audit firm to carry out an audit of the financial statements of the Company and of the consolidated financial statements of the Group of Companies of the Company, to set the conditions of payment for audit services;

18.5. to set the class, number, par value and minimum issue price of the shares issued by the Company;

18.6. to adopt decisions to convert the Company's shares of one class to the shares of another class, to approve the share conversion procedure;

18.7. to approve the set of the annual financial statements of the Company and of the annual consolidated financial statements of the Group of Companies;

18.8. to approve the set of the interim financial statements prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year;

18.9. to adopt decisions on the distribution of profit (loss);

18.10. to adopt decisions on the distribution of dividends for a period which is shorter than the financial year;

18.11. to decide on the formation, use, reduction and liquidation of reserves;

18.12. to adopt decisions to issue convertible bonds;

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

18.14. to adopt decisions to increase the authorized capital;

18.15. to adopt decisions to decrease the authorized capital, except as provided by the Law on Companies;

18.16. to adopt decisions for the Company to acquire its own shares;

18.17. to adopt decisions on reorganization or separation of the Company, and approve the terms of reorganization or separation, except as provided by the Law on Companies;

18.18. to adopt decisions to reorganise the Company;

18.19. to adopt decisions on the restructuring of the Company;

18.20. to adopt decisions to liquidate the Company, to cancel the liquidation of the Company, except as provided by the Law on Companies;

18.21. to elect and remove liquidator of the Company, except as provided by the laws;

18.22. to adopt decisions on setting the terms and conditions of the contracts provided for in Clauses 26 and 33 of these Articles of Association with the members of the Supervisory Board and the Chairman of the Supervisory Board on activities in the Supervisory Board, and on identification

of confidential information and its protection, appointment of proxy authorized to sign these contracts on behalf of the Company;

18.23. to adopt decisions on the payment of remuneration to the independent members of the Supervisory Board and on the amount to be paid;

18.24. to approve or disapprove the Annual Report of the Company and the Consolidated Annual Report of the Group of Companies of the Company;

18.25. to approve or disapprove the decisions of the Board which are provided for in sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 of these Articles of Association;

18.26. to deal with other issues of the Law on Companies, its implementing legislation or the Articles of Association which are within the competence of the General Meeting.

19. The General Meeting may adopt decisions and shall be deemed to have taken place if it is attended by the shareholders owning the shares which grant more than 1/2 (half) of all votes.

20. The decision of the General Meeting shall be deemed to have been adopted when more shareholders voted in favour of the decision than against it, except as provided for in this Clause. The decisions stated in Sub-Clauses 18.2, 18.5, 18.6, 18.9 – 18.12, 18.14, 18.15, 18.17 – 18.20 of the Articles of Association shall be adopted by the majority vote of 2/3 (two thirds) of the voting rights carried by the shares of the shareholders participating in the General Meeting. The decision stated in Sub-Clause 18.13 of these Articles of Association shall be adopted by the majority vote of 3/4 (three quarters) of the voting rights carried by the shares of the shareholders participating in the General Meeting.

## **CHAPTER VI**

### **SUPERVISORY BOARD**

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

22. The Supervisory Board consists of 7 (seven) members – natural persons. The Supervisory Board must consist of not less than 1/2 (half) of the independent members. The Supervisory Board is 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 terms established by the Law on Companies and its implementing legislation.

23. Supervisory Board members must comply with the criteria set forth in Clause 25 of these Articles of Association.

24. Each candidate to the members of the Supervisory Board must provide the General Meeting with a written consent to stand for the office of the member of the Supervisory Board and the Declaration of Interests of the candidate by stating therein all circumstances which may give rise to a conflict of interest between the candidate and the Company. In the light of the 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 shareholders in writing of such new circumstances.

25. The following cannot be the member of the Supervisory Board:

25.1. Chief Executive Officer;

25.2. the member of the Board;

25.3. the member of the Board, the Head or the administrative employee of the company of the Group of Companies of the Company;

25.4. 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;

25.5. an auditor or an employee of an audit firm who participates and / or has participated in the audit of the set of the Company's financial statements where less than 2 (two) years has elapsed since the audit was carried out;

25.6. a person who, as provided by law, does not have the right to hold this post.

26. Contracts on activities in the Supervisory Board are entered into with the members of the Supervisory Board which set out their rights, duties and responsibilities. By the decision of the General Meeting, the independent members of the Supervisory Board are paid remuneration for activities in the Supervisory Board. The terms and conditions of the contracts of the members of the Supervisory Board on activities in the Supervisory Board are set by the General Meeting.

27. The member of the Supervisory Board may resign from office prior to the expiration of his / her term of office by giving 14-days (fourteen) written notice thereof to the Company.

28. If the member of the Supervisory Board is removed, resigns or for any other reason ceases to hold office, and the shareholders of the Company who own shares granting 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 the existing Supervisory Board.

29. The Supervisory Board is chaired by its Chairman whom the Supervisory Board elects from among its members. The Chairman of the Supervisory Board shall convene and chair the meetings of the Supervisory Board. If the Chairman 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.

30. The Supervisory Board has the following competence:

30.1. to consider and approve the operational strategy of the Company and of the Group of Companies of the Company, to analyse and assess information on the implementation of the operational strategy of the Company, to provide this information to the Ordinary General Meeting;

30.2. to elect and remove the members of the Board;

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

30.4. to submit to the General Meeting feedback and suggestions regarding the operational strategy of the Company and of the Group of Companies of the Company, regarding a set of the annual financial statements of the Company and the annual consolidated financial statements of the Group of Companies of the Company, regarding the project of distribution of the Company's profit (loss), and regarding the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company, as well as regarding the activities of the Board and the Chief Executive Officer;

30.5. to submit to the General Meeting feedback and suggestions regarding the decision on the project of distribution of dividends for a period shorter than the financial year, the set of the interim financial statements prepared for the purpose of adopting the said decision, and the interim report prepared;

30.6. to submit proposals to the Board and the Chief Executive Officer to revoke their decisions that are in conflict with the laws and other legislation, these Articles of Association or the decisions of the General Meeting; 30.7. to adopt decisions on setting the terms of the contracts provided for in Clause 44 of these Articles of Association with the members of the Board on activities in the Board, including remuneration for work in the Board, and appointment of a person authorized to sign these contracts on behalf of the Company;

30.8. to make proposals and recommendations regarding organization of activities of the Group of Companies of the Company, financial situation, the decisions of the supervisory and management bodies;

30.9. to submit to the Board feedback and suggestions regarding the Company's activities plan and operational budget;

30.10. subject to proposal of the Board and / or the Chief Executive Officer; to adopt 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, promotion and imposition of penalties;

30.11. to submit to the Board an opinion on the nominations of the Chief Executive Officer, of the members of the supervisory or management bodies of the affiliates and representative offices of companies in which the Company is a shareholder;

30.12. at the request of the Board and / or the Chief Executive Officer to submit feedback and proposals regarding the decisions adopted or planned to be adopted by the Board and / or by the Chief Executive Officer.

30.13. to consider and submit proposals regarding the auditor or audit firm elected by the General Meeting and the terms of payment for the audit services;

30.14. to deal with other issues of the supervision of activities of the management bodies of the Company and of the companies of the Group of Companies of the Company which are within the competence of the Supervisory Board as stipulated in these Articles of Association and the decisions of the General Meeting.

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

32. The Supervisory Board has the right to request the Board and the Chief Executive Manager to submit documents and information related to the activities of the Company and of the Group of Companies of the Company, and the Board and the Chief Executive Officer must ensure that such documents and information are submitted to the Supervisory Board within a reasonable time.

33. The members of the Supervisory Board must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company and of the Group of Companies of the Company that they have learned when they were the members of the Supervisory Board. Contracts for the protection of confidential information are entered into with the members of the Supervisory Board, the terms of which are approved by the General Meeting.

34. Adoption of decisions of the Supervisory Board:

34.1. The rules of procedure of the Supervisory Board is established by the Rules of Procedure of the Supervisory Board adopted by it.

34.2. The Supervisory Board adopts decisions at the meetings of the Supervisory Board. Minutes shall be taken of the meetings of the Supervisory Board.

34.3. The meetings of the Supervisory Board shall take place at least quarterly. The meetings of the Supervisory Board shall be convened by the Chairman 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 attendance at its meetings



and provide explanations to the members of the Board, the Chief Executive Officer, the heads of structural units of the Company, and / or to the members of the supervisory or management bodies of the companies of the Group of Companies of the Company when addressing the issues related to their activities.

34.4. In case of resignation or removal of one or more members of the Board, the Chairman of the Board or the entire Board, a meeting of the Supervisory Board shall be convened, at which new members of the Board or the whole Board shall be elected respectively.

34.5. The Supervisory Board may adopt 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.

34.6. The decision of the Supervisory Board shall be deemed to have been adopted if the majority of the members of the Supervisory Board attending the meeting voted in its favour. In the event of a tie, the Chairman of the Supervisory Board shall have the casting vote. The decision to remove the member of the Board can be adopted if at least 2/3 (two thirds) of the members of the Supervisory Board attending the meeting voted in its favour;

34.7. The members of the Supervisory Board must attend the meetings of the Supervisory Board and vote in favour of or against each issue 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 other grounds provided by the legal acts or these. A member of the Supervisory Board has the right to grant a written power of attorney to another member of the Supervisory Board to represent him / her at the meeting of the Supervisory Board..

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

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

36. The committees of the Supervisory Board:

36.1. The audit, nomination and remuneration, supervision of risk management (hereinafter – the Committee) committees are formed and operate in accordance with the regulations of the Committee 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.

36.2. The Committees shall examine the issues assigned to their competence in the regulations of the Committees and the issues referred to the 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, adopts decisions within its competence and is responsible for these decisions.

36.3. The Committees shall be set up by the decision of the Supervisory Board for a term of 4 (four) years of 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 the existing Committee. The restrictions provided for in Clause 25 of these Articles of Association shall apply to the members of the Committees. Not less than 1/3 (one third) of the members of the relevant Committee must be independent, unless the law provides for a greater number of independent members. A member of the Supervisory Board shall be appointed to hold the office of the Chairman of the Committee. If a member of the Supervisory Board is removed, resigns or for any other reason ceases to be a member of the Supervisory Board, he / she shall be deprived of the office in the Committee;

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

36.5. The contracts can be entered into with the members of the Committees for the activities in the relevant Committee, which, inter alia, provide for the rights, duties and responsibilities of the members of the Committee. By the decision of the Supervisory Board, the independent members of the Committees can be paid remuneration which cannot exceed the amount of remuneration for an independent member of the Supervisory Board for his / her activities in the Supervisory Board which has been set by the General Meeting. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Committee for the members of the Committees.

## **CHAPTER VII**

### **THE BOARD**

37. The Board is a collegial management body of the Company.

38. The Board is elected and revoked by the Supervisory Board in accordance with the procedure set forth in these Articles of Association and legal acts. The Board is accountable to the Supervisory Board and the General Meeting.

39. The Board consists of 5 (five) members who are elected for a term of 4 (four) years. The 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.

40. The members of the Board must comply with the requirements set forth in Clause 42 of these Articles of Association.

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

42. The following cannot be a member of the Board:

42.1. a person referred to in Sub-Clauses 25.4 and 25.5 of these Articles of Association;

42.2. a member of the Supervisory Board;

42.3. a member of the Committee;

42.4. a person who is not legally entitled to hold such office.

43. The members of the Board cannot do other work or hold other positions which are incompatible with their activities on the Board, including executive positions in other legal entities (except for positions within the Company and the Group of Companies of the Company), work in civil service, statutory service. The members of the 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.

44. Contracts shall be entered with the members of the Board before they take office for the activities in the Board, which provide for their rights (including the right to remuneration for the activities in the Board if the decision to pay such remuneration is adopted), duties and responsibilities. The Supervisory Board is responsible for setting the terms of the contracts for the activities in the Board.

45. The Board elects the Chairman of the Board from its members.

46. If the Board is removed from office, resigns or for other reasons ceases to hold office before the expiry of the term, a new Board shall be elected for the new term of office of the Board.

Individual members of the Board shall only be elected until the end of the term of office of the existing Board.

47. A member of the Board may resign from office before the end of his /her term of office by giving 14-days (fourteen) written notice to the Company in accordance with the procedure established by laws.

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

49. The Board considers and approves:

49.1. the operational plan of the Company;

49.2. the operational budget of the Company;

49.3. the management (organizational) structure of the Company, a list of positions and the maximum number of posts;

49.4. the positions to which the staff are recruited through the tender procedure;

49.5. the Regulations of the Company's affiliates and representative offices;

49.6. a list of confidential information and trade (industrial) secrets.

50. The Board analyses and assesses:

50.1. the draft operational strategy of the Company and of the Group of Companies of the Company provided by the Chief Executive Officer of the Company, and information about the implementation of operational strategy of the Company and of the Group of Companies of the Company;

50.2. organization of the activities of the Company and the Group of Companies of the Company;

50.3. the financial situation of the Company and of the Group of Companies of the Company;

50.4. the results of economic activities of the Company, estimates of revenue and expenses, inventory data and other accounting data of changes in assets.

51. The Board considers and approves the Annual Report of the Company, the consolidated Annual Report of the Group of Companies of the Company, the interim Report, also analyses and assesses a set of annual financial statements of the Company, a set of consolidated annual financial statements of the Group of Companies of the Company, a set of interim financial statements of the Company prepared for the purpose of adopting the decision on the distribution of dividends for a period which is shorter than the financial year, the distribution of the Company's profit (loss), and the decision regarding the projects of dividends for a period which is shorter than the financial year, and submits these documents to the Supervisory Board and the General Meeting.

52. The Board shall adopt decisions on the entry into the following transactions (except where transactions that meet these criteria are provided for in the operational budget of the Company):

52.1. investment, transfer, lease of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated separately for a type of each transaction);

52.2. purchase of non-current assets at a price higher than EUR 3,000,000 (three million);

52.3. pledge or mortgage of non-current assets with a book value exceeding EUR 3,000,000 (three million) (calculated for the total amount of transactions);

52.4. surety or guarantee of fulfilment of obligations of other persons in the amount of more than EUR 3,000,000 (three million);

52.5. money lending (except for investing the Company's funds which shall be executed in accordance with the procedure for investing the Company's funds set by the Board) or borrowing, including, but not limited to, decisions to enter into any credit (loan) agreements and / or modification of the terms of the existing credit (loan) agreements;

52.6. entry into other transactions with the value exceeding 3,000,000 (three million) euros.

53. when adopting the decisions referred to in Clause 52 of these Articles of Association, the Board shall approve the material terms of these transactions.

54. The Board shall adopt decisions regarding:

54.1. of the Company becoming a founder, participant of other legal entities;

54.2. establishment of affiliates and representative offices of the Company;

54.3. approval of nominations of the supervisory or management bodies of companies in which the Company is a shareholder, of the Company's affiliates and representative offices having regard to the opinion provided by the Supervisory Board;

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

54.5. the following of the companies of the Group of Companies of the Company of strategic and significant importance to national security, which carry out manufacturing, distribution, supply activities in the energy sector, as well as of companies directly managed by the Company which carry out activities in the electricity production sector:

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

54.5.2. increase, decrease of the authorized capital or other actions that may alter the structure of the authorized capital (e.g. issue of convertible bonds);

54.5.3. reorganization, separation, restructuring, liquidation, reformation or other acts changing the status of these companies;

54.5.4. the transfer of a business or a substantial part of it.

54.6. the issues of establishing and managing the operational guidelines and rules of the companies of the Group of Companies of the Company, common policies of the Group of Companies, annual financial plans, annual rate of return on assets, the maximum amounts of debt obligations, as well as other operational parameters of the companies of the Group of Companies of the Company;

54.7. participation and voting in the General Meetings of Shareholders of the companies of which the Company is a shareholder. The Board appoints a person to implement the decision of the Board at a General Meeting of Shareholders.

55. The Board shall adopt decisions:

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

55.2. regarding other issues that fall within the competence of the Board, as well as regarding the issues (including issues regarding entry into transactions) for which the Board is approached by the Chief Executive Officer.

56. Decisions of the Board referred to in Sub-Clauses 54.1 (except the decisions regarding becoming a founder, participant of associations) and 54.5 of these Articles of Association require the approval of the General Meeting.

57. If these Articles of Association, the Law on Companies or other legal acts require the approval of the General Meeting for decisions of the Board, decisions of the Board can be implemented only after an approval of the General Meeting has been obtained. The approval of the General Meeting does not exclude responsibility of the Board for the decisions adopted.

58. The Board shall be responsible for convening and organizing the General Meetings in a timely manner.

59. Taking into account the opinion of the Supervisory Board, the Board elects and removes the Chairman of the Board, the Chief Executive Officer, determines the Chief Executive Officer's salary, other terms and conditions of his employment contract, approves job regulations, promotes him and imposes penalties in accordance with the procedure established by the Law on Companies, its implementing legal acts and these Articles of Association.

60. The Chairman of the Board elected by the Board shall also be appointed as the Chief Executive Officer. In the event of removal from office, the General Manager shall also be removed from office of the Chairman of the Board.

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

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

63. The members of the Board must keep in confidentiality commercial (industrial) secrets and confidential information of the Company and the group of companies of the Company which they have become aware of as the members of the Board.

64. Adoption of the Board decisions and the rules of procedures:

64.1. The rules of procedure of the Board shall be established by the Rules of Procedure of the Board adopted by the Board.

64.2. Each member of the Board shall be responsible for analysis of the matters within his / her competence – mentoring area directly related to the work in the Board, which are subject to appropriate decision to be adopted, and submitting all necessary information to other members of the Board in order for the necessary decisions of the Board to be adopted in a timely manner. The specific areas of supervision of the members of the Board shall be defined in the rules of procedure of the Board.

64.3. The Board shall adopt its decisions in the Board meetings. Minutes of the Board meetings must be taken. The Board shall organize its activities in accordance with the procedure laid down in the Rules of Procedure of the Board.

64.4. Meetings of the Board must be held at least once every 2 (two) weeks, if the rules of procedure of the Board do not establish otherwise.

64.5. If the Chief Executive Officer resigns or is removed, the Board shall immediately decide on the removal of the Chairman of the Board.

64.6. Meetings of the Board shall be convened and chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the oldest member of the Board shall convene and chair the meetings of the Board.

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

64.8. decision of the Board shall be deemed to have been adopted if the majority of the members of the Board attending the meeting voted in favour thereof. In the event of a tie, the Chairman of the Board shall have the casting vote.

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

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

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

65. The Company must ensure appropriate conditions for the work of the Board and the members of the Board in the Board providing technical and organizational means necessary for the work. The the meetings of the Board are serviced by the Company's employees responsible for the organization of decision-making of the management and supervisory bodies, or other employees appointed by the Chief Executive Officer.

## **CHAPTER VIII**

### **CHIEF EXECUTIVE OFFICER**

66. The Chief Executive Officer is a sole management body of the Company.

67. The Chief Executive Officer acts on behalf of the Company and enters into transactions according to the principles of one-man management, except as provided by the Law on Companies, its implementing legislation and these Articles of Association.

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

69. The Chief Executive Officer shall take up his / her duties 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 the member of the Board authorized by the Board.

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

71. The Chief Executive Officer shall act in accordance with the laws, other legal acts, these Articles of Association, the decisions of the General Meeting, the decisions of the Supervisory Board and the Board and his / her working regulations.

72. The Chief Executive Officer must safeguard confidentiality of the trade (industrial) secrets, confidential information of the Company that became known to him / her in the course of his / her duties in the Company.

73. The Chief Executive Officer:



73.1. manages the Company;

73.2. organizes day-to-day activities of the Company;

73.3. ensures the implementation of the Company's operational strategy;

73.4. implements the decisions of the Board;

73.5. issues orders regulating the activities of the Company;

73.6. recruits and dismisses employees, concludes and terminates employment contracts with them, promotes them and imposes penalties on them;

73.7. opens and closes accounts in banks or other institutions of payment service providers and disposes of the Company's funds therein;

73.8. issues authorizations and procurations;

73.9. ensures the protection of the Company's property / assets, creation of appropriate working conditions for the Company's employees, protection of the Company's trade secrets and confidential information;

73.10. submits proposals to the Board regarding the operational budget of the Company;

73.11. enters into a service provision contract with an auditor or an audit firm and ensures the submission of the Company's documents required for the audit to be carried out.;

73.12. shall be responsible for:

73.12.1. preparation of the annual financial statements of the Company and the sets of annual consolidated financial statements of the Group of Companies, preparation of the Annual Report of the Company and the consolidated Annual Report of the Group of Companies of the Company;

73.12.2. drafting a decision on the distribution of dividends for a period shorter than the financial year, formation of the set of interim financial statements and preparation of interim report to adopt the decision on the distribution of dividends for a period shorter than the financial year;

73.12.3. management of shareholders' personal securities accounts and registration of owners of certificated shares in the Company, except where accounting for the book-entry shares has been delegated to the account managers;

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

73.12.5. submitting the Company's documents and data to the Registrar of the Register of Legal Entities;

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

73.12.7. public disclosure of information laid down in the Law on Companies in the source specified in these Articles of Association;

73.12.8. submitting information to shareholders;

73.12.9. preparation of the draft operating budget of the Company.

73.13. carries out other functions set forth in laws, these Articles of Association, the decisions of the General Meeting, in the resolutions of the Supervisory Board, the Board and staff regulations of the Chief Executive Manager, and resolves other issues in connection with the activities of the Company which under the laws and these Articles of Association do not fall within the competence of other bodies of the Company.

74. The Chief Executive Officer shall participate and vote in the General Meetings of Shareholders of the companies of which the Company is a shareholder, unless the Board orders the implementation of the decisions of the Board regarding participation and voting in the General Meetings of Shareholders by another person.

75. If under the laws or these Articles of Association the decision and / or approval of the General Meeting and / or of the Board is required in order for the transactions of the Company to be entered into or other decisions to be adopted, the Chief Executive Officer may enter into the Company's transactions or adopt other decisions when such decision and / or approval of the General Meeting and / or of the Board has been adopted.

## **CHAPTER IX**

### **PLANNING OF COMPANY'S ACTIVITY, AUDIT AND FINANCES**

76. The Company's activity is planned by preparing the operational budget of the Company which shall be approved by the Board. The Chief Executive Officer shall be responsible for the preparation of the draft operational budget of the Company.

77. A sets of financial statements of the Company and consolidated financial statements of the Group of Companies of the Company must be prepared in accordance with the International Financial Reporting Standards. The General Meeting shall have the exclusive right to elect and remove an auditor or an audit firm and to determine the terms of payment for the audit services.

78. The structural unit performing internal audit functions of the Company is accountable to the Supervisory Board.

## **CHAPTER X**

### **PROCEDURE OF NOTIFICATION PUBLICATION**

79. Notifications of the Company, which according to the laws, other legal acts and / or these Articles of Association must be publicly announced, shall be published in the electronic publication issued by the Registrar of the Register of Legal Entities for announcement of public notices.

80. Notifications of the Company, which according to the laws of the European Union applicable to companies whose securities are traded on a regulated market must be made publicly available (notifications of material events, regulated information, etc.), shall be published on the Central Regulatory Information Base and, if necessary, on the Company's website.

## **CHAPTER XI**

### **PROCEDURE OF DISCLOSURE OF DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS, THE SUPERVISORY BOARD AND THE BOARD**

81. At the Shareholder's written request, the Company, at the latest within 7 (seven) days of the date of receipt of request, must give access to the following documents: these Articles of Association, sets of the Company's annual financial statements and of the annual and interim consolidated financial statements of the Group of Companies of the Company, the Annual, Interim Reports of the Company and the consolidated Annual Reports of the Group of Companies of the Company, the Auditor's conclusions, audit reports on financial statements, Minutes of the General Meetings, of the meetings of the Supervisory Board and of the Board, or other documents which form the decisions of the bodies of the Company, proposals or feedback from the Supervisory Board to the General Meetings, lists of shareholders, lists of the members of the Supervisory Board and of the Board, as well as to other documents of the Company which are required by law to be made public, unless such documents contain trade (industrial) secret or confidential information, and / or provide with copies of the mentioned documents.

82. The Company must enable access by the shareholder to all other information of the Company not specified in Clause 81 of these Articles of Association, which at the shareholder's request must be systematized according to the reasonable criteria specified by the shareholder and / or must provide copies of the documents, provided that such information and documents, including information and documents relating to the Company's trade (industrial) secret and confidential information, are necessary for the shareholder in fulfilling the requirements provided for in other legal acts, and the shareholder safeguards confidentiality of such information and documents. The Company shall refuse to provide copies of the documents to the shareholder if the requesting shareholder cannot be identified. The refusal to provide a shareholder with access to and / or provide copies of the documents shall be executed by the Company in writing if the shareholder so requests.

83. Any member of the Supervisory Board or the Board has the right of access to all documents of the Company and of the companies of the Group of Companies of the Company, as well as to all information of the Company and of the companies of the Group of Companies of the Company (including information on draft decisions of the management bodies which have not been yet adopted, and information on planned transactions and investments), which, at the request of the person receiving the information, must be systematised according to reasonable criteria specified by such person. If the Company does not have the documents or information of the companies of the Group of Companies of the Company requested by the members of the Supervisory Board or the Board, the Chief Executive Manager must take immediate action in order for the Company to obtain such documents or information. Information and documents provided in accordance with this Clause must be submitted immediately, but not later than within 5 (five) working days of the date of receipt of the respective requirement. The entities referred to in this Clause 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 separate request of the relevant entity.

84. All information and documents specified in Clauses 81 – 83 of these Articles of Association shall be provided to the shareholders, the members of the Supervisory Board and the Board free of charge.

## **CHAPTER XII**

### **AFFILIATES AND REPRESENTATIVE OFFICES OF THE COMPANY**

85. The affiliates and / or representative offices of the Company shall be established, and their activities shall be terminated by decision of the Board. The number of the affiliates and / or representative offices of the Company is unlimited.

86. The affiliates and / or representative offices of the Company shall operate according to the regulations of the affiliates and / or representative offices approved by the Board.

87. The Heads of the affiliates and / or representative offices of the Company shall be appointed and removed in accordance with Sub-Clause 54.3 of these Articles of Association, the regulations of the affiliates and / or representative offices approved by the Board.

## **CHAPTER XIII**

### **FINAL PROVISIONS**

88. These Articles of Association of the Company shall be amended in accordance with the procedure established by the Law on Companies.

89. When the General Meeting adopts the decision to amend the Articles of Association of the Company, the full text of the amended Articles of Association of the Company shall be drawn up and the person authorized by the General Meeting shall sign it.

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

91. If the provisions of the laws change and as a result of the contradictions of the provisions of these Articles of Association with the changed laws, the laws must be followed until the Articles of Association of the Company are amended.

Date and place when and where the Articles of Association have been signed: 26 August 2020  
Vilnius.

The person authorized by the General Meeting:

The Chief Executive Officer

Darius Maikštėnas