

EPSO-G, UAB
ARTICLES OF ASSOCIATION

I. GENERAL PART

1. EPSO-G, UAB (hereinafter referred to as the Company) is a private legal entity with limited civil liability whose registered capital is divided into shares.
2. The Company is liable for its obligations on the basis of the assets it owns. The Company shall not be liable for the obligations of the shareholders and the shareholders shall not be liable for the obligations of the Company. The shareholders shall have no other pecuniary obligations to the Company than the obligation to pay for all the subscribed shares at the issue price in the prescribed manner.
3. The legal form of the company is a private limited liability company.
4. The name of the Company is EPSO-G, UAB.
5. The Company's period of operation is unlimited.
6. The financial year of the Company is a calendar year.
7. The Company, together with the legal entities directly and indirectly controlled by it, constitutes the Company's group of companies (hereinafter referred to as the Group of Companies). The Company is the parent company of the Group of Companies, which directly owns companies (hereinafter referred to as Subsidiaries), and the Subsidiaries directly and/or indirectly own downstream companies (hereinafter referred to as the Downstream Subsidiaries) (the Subsidiaries and the Downstream Subsidiaries are collectively referred to as the companies within the Group of Companies). The Company shall not be liable for the obligations of the companies within the Group of Companies and the companies within the Group of Companies shall not be liable for the obligations of the Company.
8. The Company's activities shall be guided by the laws and regulations applicable in the Republic of Lithuania (hereinafter referred to as the LR), the Guidelines for Corporate Governance of EPSO-G, UAB, as amended and supplemented from time to time, the Letter of Representation on the State's Expectation from the LR Ministry of Energy as the representative authority of the Company's controlling shareholder, the LR Governmental Resolutions on the Governance of the State-Owned Companies, the Code of Corporate Governance of the Companies listed on the NASDAQ Vilnius Stock Exchange to the extent that these Articles of Association do not provide otherwise, these Articles of Association, and internal documents of the Company and the Group of Companies.

II. OBJECTIVES AND OBJECT OF THE COMPANY'S ACTIVITIES

9. The main long-term (strategic) objective of the Company's activities is transparent and efficient performance of parent company's functions in management of companies within the Group of Companies, implementing the principle of separating state ownership and regulatory functions.
10. Other long-term (strategic) objectives of the Company: active pursuit of goals and targets set out in the National Energy Independence Strategy and normative legal acts replacing and implementing it, other applicable legal acts and documents approved by the Company's General Meeting of Shareholders or directly related to the activities of the Group of Companies; formulation of a sustainable and long-term strategy of the Group of Companies; sustainable development and integration of activities of the Group of Companies as a whole; ensuring the proper and effective implementation of projects of special national importance or of national importance entrusted to the companies of the Group of Companies and carried out by them exercising supervision and control over the implementation of such projects at the level of the Company's management bodies, including those with a supervisory function.
11. The short-term (tactical) objectives of the Company's activities: consolidating the Group's of Companies finances, managing of tax and financial information and ensuring consistent corporate governance and corporate control at the Group's of Companies level; the implementation of common operational policies, guidelines and other rules of conduct of a recommendatory nature within the Group of Companies and the coordinated management of resources and assets.
12. The object of Company's activities:
 - (i) exercising shareholder rights and duties;
 - (ii) formulating and defining the Group's of Companies business strategy, operational guidelines, rules of conduct and specific policies;

- (iii) regional and international cooperation to integrate energy infrastructure and markets;
 - (iv) coordinating and controlling the activities, development and evolution of the companies within the Group of Companies;
 - (v) the Group's of Companies finance and treasury management;
 - (vi) provision of services (to the companies within or outside of the Group of Companies);
 - (vii) representing the Group of Companies.
13. The Company acts in a socially responsible manner in the course of its activities, aiming at increasing the long-term value of the Group of Companies, continuity of its operation and implementation of its projects, ensuring sustainable benefits for the State of Lithuania, the shareholders of the Group of Companies, the companies of the Group of Companies, the users of their services and the society, as well as guaranteeing an adequate return on the capital of shareholders.
 14. The Company may carry out other activities not prohibited by the LT legislation and not contradicting to the Company's business objectives. The Company may carry out licensable or permit-required activities only after obtaining the relevant licences or permits issued in accordance with the procedures established in the legislation.

III. AUTHORISED CAPITAL. NUMBER OF SHARES BY CLASS, THEIR NOMINAL VALUE AND ENTITLEMENTS

15. The authorised capital of the Company is equal to EUR 189,631,000.00 (one hundred and eighty-nine million six hundred and thirty-one thousand euro and zero euro cents).
16. The authorised capital of the Company is divided into 653,900,000 (six hundred and fifty-three million nine hundred thousand) ordinary registered shares (hereinafter one ordinary registered share is referred to as the Share).
17. The nominal value of each Share is EUR 0.29 (twenty-nine euro cents).
18. All Shares are book-entry Shares and shall be recorded in Shareholders' personal securities accounts maintained by the Company or by securities account managers, if such are contracted to maintain records of Shares.

IV. SHAREHOLDERS AND SHAREHOLDERS RIGHTS

19. The shareholders of the Company shall have the rights and obligations set out in the legislation, regulations and these Articles of Association.
20. All bodies of the Company must act in such a way that to ensure that the Company's shareholders and, in the case of the patronage function, the shareholders of other companies within the Group of Companies are able to exercise their rights.

V. COMPANY BODIES AND MANAGEMENT

21. The bodies of the Company are the following:
 - (i) the General Meeting of Shareholders (hereinafter referred to as the Meeting);
 - (ii) the Board (hereinafter referred to as the Board);
 - (iii) the General Manager – Chief Executive Officer (hereinafter referred to as CEO).
22. Company's bodies shall make decisions independently and in accordance with the competence assigned to them by the legislation in force in the LR and these Articles of Association. The bodies of the Company shall be fully responsible for the decisions made by them. In making decisions, the Company's bodies shall act in the best interests of the Company and the shareholders of the Company.
23. Company's bodies, in accordance with the requirements of the legislation in force in the LR and taking into account other provisions of these Articles of Association Article **Error! Reference source not found.**, shall pursue the objectives of the Company and the Group of Companies, taking into account, among other things, the basic environmental, social, financial and ethical principles set out in international standards.
24. The Company's bodies must also act in accordance with the Group's of Companies basic principles of corporate governance - transparency of the Group's of Companies activities, separation of state ownership

and regulatory functions, definition and sustainability of the Group's of Companies objectives, and the proper exercise of shareholders' rights.

25. The management bodies of the Company, when making decisions and acting within the scope of their competence granted to them by the legislation and these Articles of Association, shall also take into account other principles of corporate governance of the Group of Companies, such as compliance with the requirements of the legislation and best practice standards, operational efficiency, sustainability of the Group of Companies, competitiveness of the activities, responsibility of the management bodies of the Group of Companies, and proper accountability to the shareholders.
26. In the event when the Company's bodies are required to obtain special approvals in accordance with legislation (including the LR Law on Protection of Objects of National Security Importance) for making their decisions, such decisions may only be made once the necessary approvals have been obtained or the decision-making process must provide that such decisions shall only become effective and may only be implemented after the receipt of the relevant approval.
27. In the event when, due to insufficient number of members or for other reasons, any management body of the Company has not been able to take decisions within its competence, such management body shall, without delay, but not later than within 1 (one) month after the relevant circumstances, which prevented the management body from making decisions, have ceased to exist consider and make the necessary decisions on the matters falling within its competence.

VI. THE MEETING

28. The procedure for convening the Meeting, making decisions and the competence of the Meeting shall not differ from the procedure for convening the Meeting, making decisions and the competence of the General Meeting of Shareholders as set out in the LR Law on Companies (hereinafter referred to as the LC), with the exception of the additional competence of the Meeting as provided for in these Articles of Association Article 29.
29. The Meeting shall also decide on (additional competence of the Meeting)
 - (i) the approval of the Group's of Companies common corporate management and/or operational guidelines;
 - (ii) approval of the establishment of remuneration guidelines applicable to the determination of remuneration for the Board of the Company and the Group of Companies, the Remuneration and Nomination Committee (hereinafter referred to as RNC), the Audit Committee (hereinafter referred to as the AC) and any other specialised committees, if any;
 - (iii) appointing and removal the Board members, setting the remuneration of the Board members and the budget in relation to expenses for the performance of the Board's functions, if the planned budget exceeds the minimum, as it is set in the remuneration guidelines, concluding contracts with the Board members and setting standard terms thereof;
 - (iv) election and removal of the AC members, setting the remuneration for the AC members, the budget in relation to expenses for the performance of functions of the AC, if the planned budget exceeds the minimum, as it is set in the remuneration guidelines, and standard terms of contracts with the AC members, as well as the approval of rules of Procedures of the AC;
 - (v) approval or disapproval of the Board decisions as provided for in the Articles of Association Article 39 Clause (xiii)-(xvii) and the Articles of Association Article 46;
 - (vi) suspension or non-suspension of the Board members when decisions are made in the event of the conflict of interest of the Board members, in the cases provided for in the Articles of Association Article 54;
 - (vii) approval or disapproval of CEO decisions as provided for in the Articles of Association Article 49 Clause (iv)-(vii).

VII. THE BOARD

7.1. Formation of the Board

30. The Board shall be a collegial management body of the Company, consisting of 5 (five) members. The members to the Board shall be elected by the Meeting, to which the Board shall be accountable, for the term

of office of 4 (four) years, taking into account the recommendations of the RNC and the Selection Committee¹ in accordance with the competence assigned to them. The continuous term of office of the Board member shall be no more than 2 (two) consecutive terms, i.e. no more than 8 (eight) consecutive years.

31. The Meeting shall elect the Board members *inter alia* ensuring that the constitution of the Board meets the criteria set out in the legislation applicable to the state-owned enterprises. In electing the Board members, it shall be ensured that the Board is constituted of at least three (3) independent members, their independence being determined by taking into account the criteria set out in the Policy for the Management of Interests of Collegial Bodies' Members, Managers and Employees of the Group of Companies (hereinafter referred to as the Policy on the Management of Interests) and applicable legislation, and that the Board members have competencies in relation to the Board's responsibility areas and functions.
32. The Board cannot have the following as its members:
 - (i) any person who is not entitled to perform these duties in accordance with the requirements laid down in the LC and other legislation;
 - (ii) members of collegial bodies and employees of companies within the Group of Companies;
 - (iii) employees of the institutions regulating activities of entities operating in the field of energy services and the authorities exercising state energy supervision;
 - (iv) a person who is the member of the supervisory body, the management body or the administrative body of any energy undertaking carrying out electricity production and/or supply activities or natural gas production and/or supply activities, or who is otherwise involved in the management or supervision of such undertakings;
33. In assessing the suitability of a candidate for the election to the Board, the Meeting shall assess his/her compliance with the requirements laid down in these Articles of Association and applicable legislation and may, for that purpose, request the candidate to submit documents substantiating such compliance and/or contact the competent state institutions with the purpose of obtaining the necessary information on the candidate.
34. Each candidate for the election to the Board shall be required to submit to the Meeting a written consent to stand for the election to the Board and a declaration of interests of the candidate, indicating any circumstances which may give rise to a conflict of interest on the part of the candidate, i.e. a situation in which his/her personal interests would be related, directly or indirectly, with any decision which the person would make in the course of his/her duties as the Board member. In the event of new circumstances which could give rise to the conflict of interest for the Board member, he/she must immediately inform the Board of such new circumstances and submit a separate notification to the Company in accordance with the procedures set out in the Policy on the Management of Interests.
35. The Board members may be engaged in such other employment or hold such other positions that may be compatible with their activities on the Board, including, but not limited to, the managerial duties in other legal entities, employment in public or statutory service, positions within the Company and other legal entities (in accordance with the restrictions set in these Articles of Association Article 32) only after prior notification to the Board.
36. By the decision of the Meeting, the Board members may enter into contracts for their office on the Board, setting out their rights, duties and responsibilities before taking up their duties on the Board. All elected members of the Board shall immediately sign an undertaking not to disclose the Company's commercial/production secrets and confidential information, which may be included in the contract for their activities on the Board or signed separately.

7.2 Responsibility areas of the Board

37. The Board is responsible for the organisational and systemic development and management of the Group of Companies in the areas and within the scope of its competence.
38. The competence of the Board shall not differ from the competence of the Board as set out in the LC, except for the additional competence set out in these Articles of Association Articles 39-48 and 50.

¹ The term *Selection Committee* is understood as it is defined in the Description of the Selection of Candidates for the Board of the State Enterprise or Municipal Enterprise and Candidates for the Collegial Supervisory or Management Body Elected by the General Meeting of Shareholders of the State- or Municipal-Owned Enterprise approved by the Resolution of the Government of the LR No 631 dated June 7, 2015.

7.3. Additional competence of the Board relating to the Group of Companies

39. The Board considers and approves:
- (i) the Group's of Companies business strategy (including long-term and short-term, financial and non-financial objectives);
 - (ii) the Group's of Company policies, Group's of Company guidelines for key activities and other Group's of Company level documents whose approval is under the competence of the Board.
40. The Board analyses and evaluates material provided by the Company on:
- (i) implementation of the Group's of Company business strategy;
 - (ii) organisation of the activities of the Group's of Companies;
 - (iii) Group's of Companies financial state and economic activity indicators;
 - (iv) implementation of documents and other decisions approved by the Board in the Group of Companies.
41. In addition the Board:
- (i) determines the model for the management fee and/or advisory services provided, the principles for the application of the management fee and the minimum rates for advisory services;
 - (ii) whilst approving the documents provided for in these Articles of Association Article 39, the Board may also lay down measures for their implementation;
 - (iii) exercises permanent supervision and control over the management of strategic projects entrusted to and/or carried out by the companies within the Group of Companies and included in the national energy strategy, and/or projects of special national importance, and/or projects of national importance as defined by the applicable legislation, as well as projects provided for in the Letter of Representation on the State's Expectation from the LR Ministry of Energy as the representative authority of the Company's controlling shareholder.
 - (iv) formulates the Group's of Companies overall corporate management policy and establishes the basic principles, guidelines, codes of conduct and other rules of a recommendatory nature applicable to the companies of the Group's Companies;
 - (v) monitors the Group's of Companies strategy (including long-term and short-term financial and non-financial objectives) and the action plan for the Group's of Companies strategy implementation.

7.4. Additional competence of the Board relating to the Company

42. The Board considers and approves, including but not limited to:
- (i) the Group's of Companies consolidated annual report and the Company's annual report and the interim report (if the decision is to be made on the granting of dividends for a period shorter than the financial year);
 - (ii) the Company's budget;
 - (iii) the Company's business strategy as an integral part of the Group's of Companies business strategy;
 - (iv) the list of information which shall be deemed as the Company's commercial (production) secret and confidential information, and the procedure for the use and storage of such confidential information within the Company;
 - (v) the draft security plan for the Company as the enterprise of national security importance;
 - (vi) the list of the material terms of transactions (by type of transaction) and the procedure for transactions to be decided by the Board, including decisions by the Board on transactions requiring the approval of the Meeting under these Articles of Association.
43. The Board makes decisions on:
- (i) the appointment of the CEO, the remuneration and other key terms of the contract with the Company's CEO in accordance with the Remuneration Guidelines approved by the Meeting;
 - (ii) the approval of the total amount of annual increments (bonuses) proposed by the CEO to be granted to the Company's employees. The proposal of the CEO for the total amount of the annual increments/bonuses proposed to be granted to the Company's employees shall be justified in the light of the Company's operation and results for the calendar year concerned;

- (iii) the allocation of the Board's operating budget, as determined by the Meeting, to the specific objectives of the Board within the scope of the budget;
- (iv) investment, transfer and lease of the Company's assets with a carrying value² exceeding EUR 3,000,000 (three million euros) (calculated separately for each type of transaction);
- (v) pledge or mortgage of the Company's assets with a carrying value exceeding EUR 3,000,000 (three million euros) (calculated as the total amount of transactions);
- (vi) guaranteeing the fulfilment of other persons' obligations in the amount exceeding EUR 3,000,000 (three million euros);
- (vii) the acquisition of the Company's assets for the price exceeding EUR 3,000,000 (three million euros);
- (viii) investment, transfer, pledge or mortgage of the Company's cash in the amount exceeding EUR 3,000,000 (three million euros) (calculated separately for each type of transaction), unless such transactions are carried out in accordance with the Group's of Companies treasury and financial risk management policy approved by the Board;
- (ix) entering into loan or credit agreements in the amount exceeding EUR 3,000,000 (three million euros);
- (x) any transactions, the improper performance of which may expose the Company to penalties in the amount exceeding EUR 3,000,000 (three million euros);
- (xi) participation and/or conclusion of settlement agreements in judicial (arbitration) disputes in which the Company, or the Company asserts, is subject to a claim exceeding EUR 3,000,000 (three million euros);
- (xii) exercise of the Company's, as a participant or shareholder in other legal entities, rights (including the right to vote at the meeting of participants or at the general meeting of shareholders), if the relevant legal entity may be deemed as controlled by the Company in accordance with the procedure set out in these Articles of Association Article 46;
- (xiii) commencement of new activities of the Company or the discontinuation of a specific ongoing activity (subject to the approval of the Meeting);
- (xiv) transfer, pledge or other encumbrance of any shares (stakes, stocks) held by the Company or the rights conferred by them or other rights of a participant in a legal entity (subject to the approval of the Meeting);
- (xv) transfer of the Company's business as the complex of assets or a substantial part thereof (subject to the approval of the Meeting);
- (xvi) the Company's becoming a founder of or participant in other legal entities as well as decisions on increasing and decreasing the number of shares (stakes, stocks) held by the Company or any other change in the rights attached to such shares (stakes, stocks); it confirms the material terms and conditions of share subscription agreements (subject to the Meeting's approval);
- (xvii) establishment and termination of the Company's branches and representative offices and the approval of the regulations for the branches and representative offices (subject to the approval of the Meeting);
- (xviii) emission of Company bonds (except for convertible bonds);
- (xix) the Company's participation in the activities of associations or legal entities' confederations of any form;
- (xx) the Company's participation in a joint venture with other entities, if the Company's participation in the joint venture involves long-term financial commitments;
- (xxi) decides on the appointment and dismissal of the head of internal audit, the approval of the terms of reference for the head of internal audit, budget and resources for the internal audit needed to carry out the activities, the remuneration for the head of internal audit and the approval of the internal audit activity plan on the basis of the recommendations of the AC;
- (xxii) approves an action plan to address the limitations and recommendations and considers reports on the implementation of the action plan taking into account the limitations identified and recommendations provided by the Group's of Companies central internal audit;

² All values and/or amounts set out in the Articles of Associations are exclusive of value added tax (VAT), if such tax is applicable.

- (xxiii) performs other functions assigned to the competence of the Board under the LC and these Articles of Association.
44. The Board performs the following supervisory functions:
- (i) supervises the CEO performance and provides feedback and proposals on the CEO performance to the Meeting;
 - (ii) considers whether the CEO is fit for office if the Company is making a loss;
 - (iii) proposes the CEO to revoke his/her decisions which are contrary to laws and regulations, these Articles of Association and decisions of the Meeting or the Board;
 - (iv) decides on other matters within the competence of the Board to supervise the activities of the Company and the CEO as provided for in these Articles of Association as well as in the decisions of the Meeting.
45. Making the decisions referred to in the Articles of Association Article 43 Clause (iv)-(x) and (xiii)-(xvii) the Board shall approve the material terms of these transactions.
46. The Board makes decisions related to exercising the Company's as shareholder's rights at the General Meetings of Shareholders in controlled Subsidiaries. Voting on the amendments to the Articles of Association of the Subsidiaries also requires the approval of the Meeting. Neither a decision of the Board nor a decision of the Meeting is required and voting decisions are left to the discretion of the CEO where such matters are considered:
- (i) on the change of the registered office of Subsidiaries;
 - (ii) on the election and removal of the auditor of subsidiaries (hereinafter referred to as the Auditor) or the audit company for the purpose of the annual audit of the set of financial statements of the relevant Subsidiary and on the determination of the terms of remuneration for the auditing services, as these competences are defined in the LC.
47. The Board shall have the right to make other decisions within the competence assigned to it as provided for by the legislation, these Articles of Association, and the internal documents of the Company approved by decisions of the Meeting and the Board, provided that such documents have been approved in accordance with the competence of the body which approved them, as well as on other matters of importance to the Group of Companies and on the conclusion of any transactions referred to the Board by the CEO.
48. Before making decisions provided for in these Articles of Association Article 43 Clause (xiii)-(xvii) and Article 46, the Board shall be subject to the approval of the Meeting or to the postponement of the entry into force of such a decision until such time when necessary approval of the Meeting has been obtained. The approval of the Meeting shall not remove the responsibility of the Board for the decisions made.

7.5 Ensuring continuity of operation in the absence of the Board

49. In cases where not more than half of the Board members specified in these Articles of Association are present (i.e. elected and in office) or the Board is not elected at all, in order to ensure the continuity of the Company's operation and timely adoption of necessary decisions, the CEO shall make decisions within the competence of the Board on:
- (i) the approval of the Company's budget;
 - (ii) the approval of the Group's of Companies consolidated and the Company's annual report, the interim report (if a decision is to be taken on the granting of dividends for a period shorter than the financial year), and the Group's of Companies consolidated and the Company's annual set of financial statements;
 - (iii) the approval of the Company's management structure and staff positions;
 - (iv) entering into loan or credit agreements of the Company in the amount exceeding EUR 3,000,000 (three million euros) (subject to the approval of the Meeting);
 - (v) the investment, transfer, pledge or mortgage of the Company's cash in the amount exceeding EUR 3,000,000 (three million euros) (calculated separately for each type of transaction), unless such transactions are carried out in accordance with the Investment Policy of the Group of Companies or the Company's Investment Procedures approved by the Board (subject to the approval by the Meeting);
 - (vi) exercise of the Company's as shareholder's rights at the General Meetings of controlled Subsidiaries (subject to the approval of the Meeting);

- (vii) amendment of the Articles of Association of the Subsidiaries (subject to the approval of the Meeting);
 - (viii) approval of the model for the management fee and/or advisory services to be applied to the companies within the Group of Companies, the principles for the application of the management fee and the minimum fees for such advisory services;
 - (ix) approval of the list of information which shall be considered as the Company's commercial (production) secret and confidential information and the procedure for the use and storage of such confidential information within the Company.
50. Where matters within the competence of the Board are decided by the CEO, in accordance with these Articles of Association Article 49, the Board shall be required to re-consider all such decisions taken during the relevant period and make decisions on the approval or modification of such decisions immediately after the election of the Board capable of making decisions, except for the decisions provided for in Article 49 Clause (ii) and (vi), the details of which shall be made known to the Board.

7.6 Meetings and other procedural matters of the Board

51. The Board shall take its decisions at meetings of the Board, which shall be held as often as necessary to enable the Board to carry out its functions properly and to make decisions falling within its competence. The procedure for convening of and voting at meetings of the Board and other matters of a procedural nature shall be regulated in accordance with the provisions of the LC and relevant legislation and shall be detailed in the Rules of Procedure of the Board, which shall be approved by the Board.
52. The Board shall elect the Chairperson of the Board from among its members, the Chairperson of the Board being nominated from among the independent members of the Board. The Chairperson of the Board shall be in office a maximum of four (4) consecutive years.
53. The Board members who are unable to be present in person at a meeting of the Board shall endeavour to vote in advance by written ballot or by electronic communication and/or teleconference, provided that the security of the information transmitted is ensured and that the identity of the person casting the ballot is identifiable, and such members shall be deemed to be present at the meeting.
54. The Board members shall not have the right to refuse to vote or to refrain from voting, except as provided for in the legislation and these Articles of Association. If a member of the Board participates (votes, participates in discussions, etc.) in decision making which is related (directly or indirectly) to the personal interests of the Board member concerned, the Board member concerned shall immediately refrain from any action in exercising his/her functions and shall inform the Board about the existence of the conflict of interests. The Board shall decide on the exclusion of such member of the Board from voting on a particular issue. Where the Board member is excluded from voting on particular issue, the relevant decision shall be made by a majority of the remaining Board members who have not been excluded from voting on a particular matter. If the Board is unable to make a decision which relates (directly or indirectly) to the personal interests of the Board member concerned, because none Board member is able to vote on the matter in question due to a conflict of interest, the relevant decision shall be made by the Meeting.
55. The Company must ensure due work conditions for the Board and the Board members as well as provide necessary technical and organisational facilities and resources. The Company's Board must appoint the Board's lawyer to perform functions set in work regulation and corporate governance policy of the Group of Companies.
56. At least once a year, the Board shall perform a self-assessment and needs analysis to determine the competencies required to achieve the objectives of the Company and the Group of Companies and report the results of its self-assessment and needs analysis to the Meeting and the RNC.
57. The Board members shall have the right to have access to all information and documents of the Company and of the Group of Companies to the extent that the Company has at its disposal or is entitled to have at its disposal in accordance with the applicable legislation.
58. Other matters relating to the constitution of the Board and the Board's decision-making do not differ from the provisions of the LC.

7.7. Board Committees

59. In order to ensure an effective internal control system and management of operational risks at the Group of Companies level, the Board, by its decision, shall have the right to set up specialised committees (hereinafter referred to as Specialised Committees) of a temporary (*ad hoc*) or a permanent nature who will be commissioned the examination of and submission to the Board and/or other Group's of Company bodies

proposals and recommendations on the areas and matters within the competence of such committees. The Specialised Committees shall act as advisory bodies to the Board, and the Board or the other bodies which have made the relevant decisions shall remain responsible for all decisions made within their competence taking into account the proposals of the Specialised Committees.

60. The Company has the following standing committees of the Board: the Audit Committee and the Remuneration and Nomination Committee. In addition, the Company has a specialised Innovation and Development Committee, whose main functions are (i) promoting the proper functioning of the innovation ecosystem at the Group of Companies level; (ii) appropriate use of the efficiency potential of the Group of Companies and (iii) assessment of new opportunities for the development of the Group of Companies.
61. All Specialised Committees of the Company, in the course of their day-to-day activities, may provide methodological assistance to the other Group's of Companies bodies by submitting to them information, conclusions, proposals and/or recommendations on the relevant areas and matters falling within their competence.
62. The Board may decide that committee members shall be contracted to work in their respective committees and determine that the committee members shall be remunerated for their committee activities as well as set the amount of such remuneration and the procedure for its payment (with the exception of the Audit Committee whose remuneration shall be decided by the Meeting), which should, *inter alia*, ensure the independence of the members of the respective committees.

7.8. Audit Committee (AC)

63. The AC shall constitute of at least three (3) members appointed by the Meeting for a period of not more than four (4) years, taking into account the recommendations of the RNC (if any). The continuous term of office of the AC members shall not exceed (two) consecutive terms.
64. Where appointing the AC members, it shall be ensured that the AC includes at least 2 (two) independent members; the independence of the AC members shall be determined taking into account the requirements for the independence of the AC members of listed companies set out in the legislation and the criteria for the independence set out in the Policy on the Management of Conflicts of Interests and other applicable legislation. By the decision of the Meeting, it may be required that at least one of the independent members would hold an auditor's certificate or a document certifying the qualification of the internal auditor (diploma, certificate) issued in accordance with the legislation, and/or other specific qualification requirements may be imposed.
65. The AC elects the Chairperson of the AC from among its members, with the Chairperson being nominated from among the independent members of the AC.
66. Notwithstanding the performance of functions assigned to the direct responsibility of the AC by the legislation, the AC acts as an advisory committee to the Board in the areas of internal control and operational risk management. The main functions of the AC are:
 - (i) supervising the Group's of Companies financial reporting and auditing processes;
 - (ii) ensuring adherence to the principles of the independence and objectivity by the Group's of Company auditors and audit companies;
 - (iii) providing its opinion on transactions with related persons in cases provided for in the Articles of Association of listed Subsidiaries;
 - (iv) making recommendations on the selection, appointment, reappointment and removal of the external audit company and on the terms of engagement with the external audit company;
 - (v) supervising the effectiveness of the Group's of Company internal control, risk and conformity management and internal audit functions and operational processes.
67. Since the Group's of Companies financial statements are consolidated in accordance with the procedure set out in the legislation, the AC acts as the AC of the Group of Companies as a whole, performing the functions of the AC of companies within the Group of Companies.
68. The AC shall collect and organise all information gathered and received within its areas of competence and make recommendations to the CEO, the Meeting, the Board and/or the relevant Group's of Companies body on the basis of such information.
69. The specific functions and tasks of the AC, as well as the procedures for the establishment and organisation of its activities, shall be regulated in detail in the AC's operating regulations, which shall be approved by the Meeting.

7.9. Remuneration and Nomination Committee (RNC)

70. The RNC shall constitute of at least three (3) members appointed for a period of not more than four (4) years by a reasoned decision of the Board from among the candidates selected by it. Where appointing the RNC members it shall be ensured that the committee includes at least one (1) independent member. The RNC member hold his/her office for a maximum of two consecutive terms.
71. The RNC shall elect the Chairperson of the Committee from among its members, with the Chairperson being nominated from among the independent members of the RNC.
72. The RNC acts as an advisory body to the Board, providing recommendations on the remuneration and employee evaluation policy to be applied within the Group of Companies, proposing criteria for the performance evaluation the Company's and companies' within the Group of Companies managers and assisting the Board in monitoring the compliance with the existing provisions on disclosing remuneration-related information. In addition the RNC makes recommendations on the Remuneration Guidelines.
73. The RNC assists in the selection of candidates:
 - (i) for the Meeting - to the Board members;
 - (ii) for the Board – to the position of the CEO;
 - (iii) to the General Meeting of Shareholders of the Subsidiary - to the Board members of the Subsidiary;
 - (iv) to the Board of the Subsidiary - to the position of the general manager of the Subsidiary;
 - (v) other key positions in companies within the Group of Companies as required upon the request of the appointing authority.
74. In cases provided for in these Articles of Association Article 73 upon the request of bodies of the Company or companies within the Group of Companies, the RNC shall make recommendations on the appointment of the Boards members and/or managers and/or other persons and the terms and conditions of their contracts.
75. The RNC interprets the provisions of the Policy on the Management of Interests in regard to the independence criteria for members of collegial bodies and makes recommendations accordingly.
76. The RNC analyses the performance self-evaluation results of the collegial bodies of the Company and companies within the Group of Companies, including their committees, summarises them and makes proposals to the said bodies for improving their performance. The summarised performance self-evaluation results shall be submitted by the RNC to the Board and to the CEO, who shall submit the summarised results to the Ministry of Energy, which exercises shareholder rights. The information on the self-evaluation of the collegial bodies is disclosed in the Company's annual report.
77. The RNC shall collect and organise all information gathered and received within its areas of competence and make recommendations to the Board or other relevant Group's body on the basis of that information.
78. The specific functions and tasks of the RNC as well as the procedures for the establishment and organisation of this committee shall be regulated in detail in the Rules of Procedures of the RNC, which shall be approved by the Board.

VIII. The CEO

8.1. Appointment of the CEO

79. The CEO is a sole management body of the Company appointed by the Board taking into account the recommendations of the RNC. The CEO shall be accountable to the Board.
80. The CEO must be a natural person. The following may not be appointed as the CEO:
 - (i) member of the Board;
 - (ii) a person who holds his/her position as the member of the management body or administration of an energy undertaking engaged in the production and/or supply of electricity or the production and/or supply of natural gas;
 - (iii) a person who is not entitled to hold such position on any other grounds laid down in the legislation.
81. Where assessing the suitability of a candidate for the position of the CEO the Board shall assess his/her compliance with the requirements laid down in these Articles of Association and applicable legislation, and for may, for that purpose, request the candidate to submit documents substantiating such compliance and/or contact the competent state institutions with the purpose of obtaining the necessary information on the candidate.

82. A candidate to the position of the CEO shall be required to submit to the Board a written consent to stand as a candidate to the position of the CEO and a candidate's declaration of interests indicating any circumstances which may give rise to a conflict of interest on the part of the candidate, i.e. a situation in which the person's personal interests would be related (directly or indirectly) to any decision which such a person would make or instructions which such a person would give in exercising functions of the CEO. In the event of new circumstances which could give rise to a conflict of interest for the CEO, the CEO must immediately inform the Board of such new circumstances.
83. The CEO may hold any other position or perform any other work, including positions in the Company and in other legal entities in which the Company is a participant, only with the prior consent of the Board, except for teaching, creative and author's activities, participation in professional associations of energy, energy engineers and energy companies or electricity and gas transmission operators, and public organisations, which are related to the satisfaction of personal and/or family needs, which do not require the aforementioned consent of the Board, but the Board must be informed about such of the position or work.
84. Before taking up his/her appointment, the CEO shall sign an undertaking not to disclose the Company's commercial (production) secrets and confidential information; such undertaking can be provided for in the employment contract or signed separately.
85. Other rules on the election, removal and term of office of the CEO are governed by the LC and other applicable legislation.

8.2. Competence of the CEO

86. The competence of the CEO shall not be different from that of the general manager of a company under the LC except for the additional competence of the CEO set out in these Articles of Association Article 49 and 87-**Error! Reference source not found.**

8.3 Additional competence of the CEO in relation to the Group of Companies

87. The CEO:
 - (i) organises and controls the implementation of the Group's of Companies strategy, approves the action plan for the implementation of the Group's of Companies strategy, and ensures the implementation of the Group's of Companies strategy within the scope set out in the legislation;
 - (ii) monitors the activities of the Subsidiaries and submits his/her proposals and conclusions to the Board on the organisation and development of the Group's of Companies activities;
 - (iii) organises and ensures the monitoring and evaluation of the implementation of Subsidiaries' strategy, long-term (strategic) and short-term (tactical) objectives and makes proposals to the Board for their improvement;
 - (iv) coordinates and supervises the progress and implementation of strategic state projects included in the National Energy Strategy and/or projects of special national importance and/or projects of national importance as defined in the applicable legislation;
 - (v) submits to the Meeting material on the implementation of the Group's of Companies strategy;
 - (vi) implements the recommendations, procedures, policies, codes and other documents approved by the Board in relation to the activities and functioning of the Group of Companies in the Company, and, within the scope of his/her competence, takes measures to ensure their implementation in the companies of the Group of Companies;
 - (vii) performs other functions as defined in internal documents;
 - (viii) votes at the General Meetings of Shareholders of Subsidiaries in accordance with the decisions made by the Board, as provided for in these Articles of Association Article 46;
 - (ix) approves the procedures, rules and descriptions applicable at the level of the Group of Companies as well as other documents at the level of the Group of Companies, which the CEO has the right to approve in accordance with his/her competence;
 - (x) provides guidance to companies of the Group of Companies on the implementation of the Group's of Companies corporate documents, exemplary internal procedures, and other unified documents to be applied within the Group of Companies.

8.4 Additional competence of the CEO in relation to the Company

88. The CEO:
- (i) organises and controls the day-to-day activities of the Company, and makes decisions on the activity of the Company;
 - (ii) ensures the implementation of the Company's strategy, which is part of the Group's of Companies strategy, and the implementation of decisions made by the Meeting and the Board in the Company;
 - (iii) enters into transactions on behalf of the Company in accordance with the procedures established by the Board. Transactions to be decided by the Board or by the Board and the Meeting in accordance with these Articles of Association may be entered into by the CEO only with prior decision of the relevant body or by postponing the entry into force of the transaction until such time when the necessary decisions have been obtained;
 - (iv) submits to the Board the draft Company's strategy, which constitutes the part of the Group's of Companies strategy, the draft annual budget and performance targets, and other draft documents of the Company that are subject to the Board's consideration and approval;
 - (v) makes proposals to the Board for adjustments to the Company's operating budget during the course of the financial year (if necessary);
 - (vi) ensures the allocation of resources and assets necessary for the operation of the Company's bodies;
 - (vii) issue proxies in accordance with the procedure laid down in the legislation;
 - (viii) ensures that the Company's auditor is provided with all the documents of the Group of Companies required for the audit specified in the contract with the auditor or audit company;
 - (ix) ensures the protection of the Company's property, rights and legitimate interests as well as safe and proper working conditions, protects the Company's commercial secrets and confidential information, in accordance with the procedures established in the legislation. The CEO shall make decisions on the establishment of rules for the classification, marking, timing, use and protection of commercial secrets and confidential information within the Company;
 - (x) submits to the Board quarterly reports on the Company's operation, financial statements and forecasts of the economic situation, as well as documents necessary for the Board meetings, within the time limits set by the Board;
 - (xi) performs other functions assigned to the competence of the CEO under the LC and these Articles of Association.

8.5. Resignation and removal of the CEO

89. The CEO shall have the right to resign by giving written notice of resignation to the Board. The Board shall have to make a decision to remove the CEO in accordance with the procedure laid down in the legislation. If the Board does not make a decision to remove the CEO, the contract concluded with the CEO shall terminate in accordance with the procedure and within the time limits laid down in the legislation.
90. In the event of the removal or resignation of the CEO in accordance with the procedure laid down in the LC, the CEO shall be obliged to hand over the material assets and the main documents of the Company to the newly appointed CEO or, if no such person has been appointed, to the Chairperson of the Board by a deed of transfer and acceptance.

IX. INTERNAL AUDIT

91. A central internal audit function is in place within the Group of Companies. The internal audit functional unit, which is formed within the Company and performs internal audit functions within the Group of Companies, reports to the Board. The Board shall determine the specific functions and objectives of the central internal audit functional unit and shall decide on other internal audit matters as provided for in these Articles of Association.
92. The internal audit functional unit shall be provided with all information and documentation necessary for the proper conduction of internal audit of companies within the Group of companies so that the internal audit functional unit will be able to properly perform the functions assigned to it at the level of the Group of Companies.

X. PROCEDURES FOR PUBLISHING COMPANY ANNOUNCEMENTS

93. The Company's announcements which are required to be made public in accordance with the LR legislation and/or these Articles of Association shall be published in an electronic publication for public announcements issued by the Registrar of Legal Entities. In cases where, due to technical difficulties, it is not possible to publish announcements in such publication, the announcements shall be published in the daily newspaper *Verslo žinios*. Unless otherwise provided for by the LR legislation and/or these Articles of Association, other announcements may be given in person, by post or by means of electronic communications. The CEO shall be responsible for the dispatch or timely delivery of announcements.

XI. PROCEDURES FOR THE PROVISION OF COMPANY DOCUMENTS AND OTHER INFORMATION TO SHAREHOLDERS

94. Upon written request of the shareholder, the Company shall, not later than within 7 (seven) calendar days from the date of receipt of the request, provide the shareholder with the opportunity to inspect and/or provide copies of these documents: Articles of Association, sets of annual and interim financial statements, annual and interim Company reports, auditor's (audit company's) conclusions and audit reports, minutes of the Meetings or other documents formalizing the decisions of the Meeting, lists of shareholders, lists of the Board members, and other documents of the Company which are required by law to be made public, provided that such documents do not relate to the Company's commercial (production) secrets or confidential information.
95. The Company shall provide the shareholder with the access to other information of the Company and provide copies of documents if such information and documents are necessary for the shareholder to fulfil the requirements provided for in other legal acts and the shareholder ensures the confidentiality of such information and documents. The Company may not provide the shareholder with the information and documents necessary for the fulfilment of the requirements provided for in the legislation, if it is possible for the Company to provide such information and/or documents directly to persons (institutions and bodies) to whom such information and/or documents are to be provided for the fulfilment of the requirements provided for in the legislation.
96. Given that the Company is the enterprise of national security importance as defined in the Law on Protection of Objects of National Security Importance of the Republic of Lithuania, the LR, as the controlling shareholder of the Company (LR as the authority representing the controlling shareholder of the Company), ensuring the confidentiality of the information received, shall have the right to access all documents of the Company and its Subsidiaries and to all information of the Company and its Subsidiaries (including information on draft decisions of the Company's management body which have not yet been approved and information on planned transactions and investments), which shall be organised upon the request of the person receiving the information in accordance with reasonable criteria specified by such person, provided that the confidentiality of such information and documents is guaranteed. Upon this Article the Company shall provide only those documents and information of its Subsidiaries which is in the Company's possession. If the Company does not have the documents or information of the Subsidiaries requested in accordance with this Article, the CEO shall promptly take steps to obtain such documents and information for the Company to the extent that such documents and information may be obtained on the basis of the rights attached to the Subsidiaries' shares held by the Company. Information and documents provided pursuant to this Article of the Articles of Association shall be provided promptly, but not later than 5 (five) business days from the date of receipt of the relevant request. The entities referred to in this Article of the Articles of Association shall have the right to request, and the Company shall have the obligation to ensure that certain specific information and documents are provided periodically without a separate request from the relevant entity.
97. All information and documents referred to in these Articles of Association Article 94 and 95 shall be made available to shareholders free of charge.

XII. FINAL PROVISIONS

98. In the event of any inconsistency between these Articles of Association and the mandatory provisions of the legislation governing the legal status and/or operation of private limited liability companies, the mandatory provisions of the legislation shall prevail.
99. The procedure for amending the Articles of Association is no different from the procedure for amending the articles of association laid down in the LC. The Articles of Association shall enter into force on the date of their registration in the LR Register of Legal Entities.

These Articles of Association are signed on this 19 day of May, year 2022.

Person authorised by the sole shareholder of the Company:

/signature/

Algirdas Juozaponis
the Acting Chief Executive Officer