

## TRANSLATION FROM THE LATVIAN LANGUAGE

Approved in new wording  
at the Annual Meeting of Shareholders of  
Joint Stock Company "Conexus Baltic Grid"  
on the 12<sup>th</sup> of May, 2021  
minutes No. 1 (2021)

Rīga, \_\_.05.2021.

No. INA-STA-002

### Articles of Association of Joint Stock Company "Conexus Baltic Grid"

#### I. General Provisions

1. The company's firm name is Joint Stock Company "Conexus Baltic Grid" (hereinafter "Company").
2. The Shareholders of the Company are persons, which have acquired shares of the Company for which an entry has been made in the Registry of the shareholders.
3. The Company is established and operates in accordance with the laws and regulations, these articles of association, resolutions of the meeting of shareholders, Company's Council (hereinafter "Council") and Company's Board (hereinafter "Board").
4. The working languages of the Company are Latvian and English languages.
5. The Company's accounting (financial) year starts on the 1<sup>st</sup> of January and ends on the 31<sup>st</sup> of December.

#### II. Types of Company's Commercial Activities

6. The operational objective of the Company is to ensure gas market participants with natural gas transmission and storage services, as well as to promote the sustainable development, modernization and progress towards carbon neutrality of gas industry, including biomethane, hydrogen and other gaseous chemical energy carriers and related services.
7. The principal lines of activity of the Company according to the statistical classification of economic activities (NACE) are as follows:
  - 7.1. pipeline transportation (49.50), including transportation of natural gas via transmission pipelines and transit;
  - 7.2. storage and warehousing (52.10), including storing natural gas in the storage;
  - 7.3. engineering activities and related technical consultancy (71.20), including designing, supervision and management of all internal and external natural gas pipelines and transmission systems;
  - 7.4. development of building projects (41.1), construction of residential and non-residential buildings (41.2), and civil engineering (42), including construction and installation of gas pipeline systems gas transport systems;
  - 7.5. plumbing, heat and air-conditioning installation (43.22), as well as other specialised construction activities (43.99);
  - 7.6. other construction installation (43.29).

#### III. Company's Capital

8. The share capital of the Company is 39 786 089 euros, formed by 39 786 089 shares. The par value of one share is one euro.

9. All shares of the Company grant equal rights to receive dividends and liquidation quotas, and the rights to participate in the management of the Company, including voting rights at the Shareholders' meeting.

10. All shares of the Company are dematerialised registered shares.

11. To make dividends and other payments due to the shareholder from the Company, the shareholder provides the Board with the information necessary to ensure the payment of dividends. The shareholder also informs the Board immediately of any change in this information.

#### **IV. Management of the Company**

12. The management institutions of the Company are the Shareholders' meeting, Council and the Board.

13. The shareholder exercises the right to participate in the management of the Company at the Shareholders' meeting. Shareholders' meeting is entitled to take decisions if at least half of the voting share capital is represented in it.

14. If the annual Shareholders' meeting announced on time is not entitled to take decisions due to the lack of a quorum, a reconvened annual Shareholders' meeting with the same agenda is announced not later than within a month. Such Shareholders' meeting shall be announced no later than 30 days prior to its date and it is entitled to decide on all issues included in the agenda regardless of the amount of the Company's voting share capital represented at it.

15. If the extraordinary Shareholders' meeting announced on time is not entitled to take decisions due to the lack of a quorum, a reconvened extraordinary shareholders' meeting with the same agenda is announced not later than within a month and it is entitled to decide on all issues listed in the agenda if at least one quarter of the Company's shares with voting rights is represented at it. If there is no such quorum, the Shareholders' meeting is postponed and convened again within two months after the initial day of the shareholders' meeting. The repeatedly convened Shareholders' meeting is entitled to decide on all issues of the agenda regardless of the amount of the Company's voting share capital represented at it.

16. When exercising the voting rights, the shareholder shall observe the requirements for combined natural gas transmission and storage system operator independence and for the effective prevention of conflict of interest stipulated in the Energy law. The shareholder, before exercising the voting rights, informs the Board if a conflict of interests has arisen or may arise.

17. The relevant shareholder shall not participate in the Shareholders' meeting until the conflict of interest has been eliminated, observing the prohibition stipulated in the Energy Law on control and exercising of any rights, but, if they participate, their votes are not taken into account when determining the quorum or outcome of the voting in the Shareholders' meeting.

18. The following issues may be decided by the Shareholders' meeting only if at least three fourths of the Company's shares with voting rights are represented and the resolutions of the shareholders' meeting on these issues are adopted if voted for by at least 85 per-cent of the shareholders entitled to take decisions represented at the Shareholders' meeting:

18.1. making amendments to the Company's Articles of Association;

18.2. making changes in the share capital of the Company;

18.3. reorganization or liquidation of the Company;

18.4. issue of new types or categories of shares of the Company;

18.5. issue of Company's securities;

18.6. conversion of the Company's registered shares into bearer shares or vice versa;

18.7. conclusion, amendment, or termination of the group of companies' contract;

18.8. inclusion of the Company or consent to inclusion within the with the Group of Companies law;

18.9. inclusion of the Company's shares on the regulated market of financial instruments or exclusion from it.

19. Council is the supervisory institution of the company, which represents the interests of shareholders during the time periods between the Shareholders' meetings and supervises the activities of the Board within the scope specified in the laws and regulations, and these Articles of Association.

20. Council consists of seven Council members.

21. Council is elected by the Shareholders' meeting for the term of three years, setting Council members' remuneration in accordance with the remuneration policy approved by the Shareholders' meeting. Only such persons can be elected in the Council that are not subjected to restrictions stipulated in the laws and regulations, including in the Energy law.

22. Council elects Chairperson of the council and one Deputy Chairperson from amongst themselves by simple majority of votes.

23. Council operates in accordance with the Regulation of the Council.

24. Resolution of the Council adopted by simple majority of votes of the Council members. In event of a tied vote, the vote of the Chairperson of the Council prevails.

25. In addition to the functions stipulated by the laws and regulations, Council has also the following functions:

25.1. to elect permanent or temporary commissions to consider particular issues or prepare reports on them;

25.2. to approve Company's medium-term operational strategy, and supervise its implementation;

25.3. to approve the main Company's management and operation implementation policies;

25.4. to approve annual internal audit plan and its amendments.

26. The Board consists of three Board members. Board members are elected by the Council for a term of five years. Only such persons can be elected in the Board, that are not subjected to restrictions stipulated in the laws and regulations, including in the Energy law.

27. The Company may be represented by any two Board members jointly.

28. The Chairperson of the Board is appointed by the Council from among the members of the Board.

29. Board operates in accordance with the Regulation of the Board.

30. Resolutions of the Board are adopted by simple majority of votes of the Board members. In event of a tied vote, the vote of the Chairperson of the Board prevails.

31. Board requires prior consent of the council for deciding on the following issues:

31.1. acquiring participation in other companies and increasing or decreasing such participation;

31.2. acquisition or alienation of undertakings;

31.3. purchase and sale of the assets substantial for the operation of the Company;

31.4. opening or closing of branches and representative offices;

31.5. establishing Company's subsidiary companies;

31.6. approving the procedure for using Company's property and property necessary for the Company (lease and construction rights);

31.7. purchase of any immovable property for a price (without value added tax) that is equal or exceeds 400 000 euro;

31.8. alienation of Company's immovable property for a price (without value added tax) that is equal or exceeds 200 000 euro;

31.9. encumbering Company's immovable property with property rights, except encumbering with property rights for the installation of engineering networks, as well as, if encumbering with property rights is stipulated by the applicable laws and regulations or a court judgement entered into force;

31.10. granting guarantees, except for guarantees that are necessary to be granted to carry out the measures stipulated in the Company's approved respective annual budget;

31.11. taking of loan in the amount which is equal or exceeds 1 000 000 euro;

31.12. implementation of the Company's capital investment project, if the value of the project is equal or exceeds 1 000 000 euro, as well as continuation of the implementation of a capital investment project, if the value of the project exceeds the initially planned value by at least 10 per-cent and the amount of the increase is equal or exceeds 300 000 euro;

31.13. concluding a transaction that is not concluded within the ordinary course of business of the Company, if the amount of the transaction is equal or exceeds 300 000 euro;

31.14. conclusion of transaction between the Company and related person or the auditor;

31.15. contracting external service provider (investment adviser, auditor etc.) to prepare prospectus for the public issuance of Company's securities;

31.16. approval of Company's annual budget;

31.17. approval of Company's business plan;

31.18. approval of the Regulation of the Board;

31.19. deciding on other significant issues, if the prior consent is provided for by the resolution of the Council or the Board.

32. Council's consent is not needed if transaction is concluded on:

32.1. service of natural gas transmission system and balancing;

32.2. natural gas storage service;

32.3. ancillary service of the natural gas transmission system, including the balancing service;

32.4. purchase of natural gas on the stock exchange;

32.5. the performance of urgent repair work of the objects of the natural gas transmission and storage system.

#### V. Audit of the Operations of the Company

33. The financial statements of the Company are audited by an independent internationally recognized sworn auditor.

34. Shareholders' meeting takes a decision on electing auditor for a specified period not exceeding five years.

Chairperson of the Board (personal signature \*) Uldis Bariss

Member of the Board (personal signature \*) Mārtiņš Gode

Chairperson of the Shareholders' Meeting on 12<sup>th</sup> of May, 2021 (personal signature \*) \_\_\_\_\_

Secretary of the Shareholders' Meeting on 12<sup>th</sup> of May, 2021 (personal signature \*) \_\_\_\_\_

Shareholder - Person attesting the correctness of the Minutes of the Shareholders' Meeting on 12<sup>th</sup> of May, 2021:

Representative of \_\_\_\_\_ (personal signature \*) \_\_\_\_\_

\* Document is signed with secure electronic signature.