

TRANSLATION

Supported by the resolution of the Council of Joint Stock Company "Conexus Baltic Grid" meeting on the 25th of March, 2021, minutes No 2 (2021)

Approved by the resolution of the Board of Joint Stock Company "Conexus Baltic Grid" meeting on the 22nd of March, 2021, minutes No 21

Riga, April 1, 2021

Nr. INA-VAR-002

REGULATION OF THE BOARD OF JOINT STOCK COMPANY "CONEXUS BALTIC GRID"

I. General Provisions

1. Regulation of the Board (hereinafter "Board") of Joint stock company "Conexus Baltic Grid" (hereinafter "Company") have been developed on the basis of the Articles of Association of the Company (hereinafter "Articles of Association") and applicable laws and regulations.

2. Regulation of the Board of the Company (hereinafter "Regulation") determine general principles of operation, competence, procedure of operations, rights, obligations and responsibilities of the Board.

II. Composition of the Board

3. The Board is the executive body of the Company that manages the daily operations of the Company and represents the Company.

4. The operations of the Board of the Company are ensured by three Board members. The Board members are elected by the Council of the Company (hereinafter "Council"), determining the main areas of their competences: the Chairman of the Board (Chief Executive Officer (CEO)) – general management, the Board member (Technical Director (CTO)) - technical management of gas transmission and storage systems and the Board member (Chief Financial Officer (CFO)) – financial management. The division of main and other competencies is defined through organizational structure of the Company.

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

6. Remuneration for the Chairperson and the members of the Board is determined by the Council. The Chairperson of the Council concludes with the Chairperson and the members of the Board written agreements, stipulating the Board member's rights, obligations, liability, remuneration, term of the agreement and other terms.

7. The Board informs the Commercial Register authority about all changes in the composition of the Board, as well as changes in the representation rights of the members of the Board and the relevant entries in the Commercial Register are in effect as to third parties from the date of publication of the entry of such changes in the Commercial Register.

III. Competence of the Board

8. The Board makes the resolutions on issues within its competence during the meetings of the Board.

9. The Board supervises and manages all matters of the Company, represents the Company and governs the property of the Company in accordance with laws and regulations, the Articles of Association, these Regulations and the Regulations of the Council as far as the Board is concerned and decisions of the Meeting of Shareholders. The Board decides on all matters related to the operations of the Company that do not fall under the competence of the Council or the Meeting of Shareholders. According to the Articles of Association the Board needs the Council's approval in deciding material issues.

10. Board:

10.1. prepares proposals and materials, and submits them to the Council for review and for adopting resolution on:

10.1.1. medium-term operational strategy draft, the annual budget of the Company draft and the business plan of the Company;

10.1.2. Company's annual report and report on dependency;

10.1.3. recommendations regarding use of the profit of the Company;

10.1.4. entering into a transaction or amendments thereof between the Company and related person in meaning according to the Commercial law or auditor;

10.1.5. matters proposed pursuant to recommendation of the Board for discussion during the meeting of Shareholders;

10.1.6. matters, resolving of which the Board requires a prior consent of the Council in accordance with the Articles of Association;

10.2. approves the annual budget of the Company and the business plan of the Company;

10.3. pursuant to its own initiative or on behalf of the assignment of the Meeting of Shareholders or the Council, prepares and presents notices and reports to the meeting of Shareholders or the Council on the issues, determined in the Articles of Association or the Regulation;

10.4. announces the annual meeting and extraordinary meeting of Shareholders within the time periods and in accordance with the procedure determined by the Commercial Law and Articles of Association;

10.5. if necessary, requests convening the extraordinary meeting of the Council, substantiating the reason and purpose for announcing the meeting;

10.6. once per month prepares and submits to the Council the information about the financial results and key events in the Company, for the regular meetings of the Council and once a year to the meeting of Shareholders prepares and submits a written statement about its activities and the most important plans for commercial activity and governance of the Company, about financial results of the Company, key activities of the Company, implementation of services and other important activities of the Company;

10.7. ensures the fulfilment of the targets of the Company set for the current year and approved by the Council;

10.8. organizes the commercial activity and ensures development of the area of public utilities, in accordance with the Company's business plan and operational strategy approved by the Council;

10.9. in accordance with the procedure and in the amounts determined by the meeting of Shareholders, performs the issue and distribution of securities;

10.10. organizes registration of registered shares and their owners in the Register of Shareholders;

10.11. decides on the insurance of the property of the Company, undertaken liabilities and responsibilities, and determines the amount and form thereof;

- 10.12. approves the organizational structure of the Company and regulations of the Company's departments;
- 10.13. approves the labour payment and financial incentives system for employees;
- 10.14. approves the working regulations of the Company and other internal laws and regulations binding to all departments of the Company;
- 10.15. organises development of the Company's management and operational implementation policies drafts, determining basic principles for management processes available in the Company;
- 10.16. decides on nomination of authorised persons of the Company for representation of the interests of the Company in different kinds of organizations (unions, foundations, associations etc.), as well as meetings of stockholders (shareholders) and nominating candidates of the members of management bodies in the companies, where the Company owns capital shares or stocks;
- 10.17. decides on conclusion of transactions;
- 10.18. establishes and maintains internal control system;
- 10.19. approves and submits to the Public Utilities Commission draft tariffs for natural gas transmission and natural gas storage services;
- 10.20. assigns the responsible person for safety of the critical infrastructure of the Company and determines the one's tasks;
- 10.21. participates in the meetings of the Council and the meetings of Shareholders;
- 10.22. decides on the delegation of the rights to decide on issues within the competence of the Board to other structural units and employees of the Company;
- 10.23. decides on determining acting Board member during their justified absence, as well as in case the relevant member of the Board is not reachable;
- 10.24. within the framework of the competence determined by laws and regulations and the Articles of Association, reviews and adopts resolutions on any issues, referring to the operations of the Company.

IV. Preparation and convocation of the meeting of the Board

11. Meetings of the Board take place as needed, but at least once per month.
12. Regular meetings of the Board are convened by the Chairperson of the Board or during their absence by any other member of the Board assigned by the Board on the dates, determined by the Board.
13. Extraordinary meetings of the Board are convened by the Chairperson of the Board pursuant on one's own initiative or pursuant on initiative of any of members of the Board and when all members of the Board agree with that.
14. Meetings of the Board take place at the legal address of the Company. Members of the Board may agree in advance about any other venue for meeting of the Board or organize the meetings of the Board remotely, by using electronic means of communication that ensures that the Board members have the opportunity to simultaneously participate in the discussion of the issue and the taking of the decision, and such activities are appropriately documentarily recorded in the minutes of the meeting.
15. Matters prepared as a draft resolution of the Board (hereinafter "draft resolution") and resolving of which is under the competence of the Board are accepted for review during the meeting of the Board. Submission of the draft resolution to the meeting of the Board is approved by the member of the Board responsible for the respective subject.
16. The Board determines the requirements for preparation and coordination of the draft resolutions in the document management procedure. Submission of draft resolutions is provided by using the document electronic management system used in the Company (hereinafter "EDUS system").

17. Submitter of the draft resolution is responsible for correctness of facts and data referred to in the submitted draft resolution and enclosed materials, as well as about compliance thereof with the laws and regulations.

18. The secretary of the Board returns the documents, submitted for review to the Board, upon failing to comply with the requirements specified in this Regulation and in the document management procedure, to the submitter of the draft resolution, specifying, what changes need to be made or what additional information, documents, materials are to be submitted.

19. The secretary of the Board, on the basis of the received draft resolutions, upon using the EDUS system, prepares and submits to the Chairperson of the Board or during their absence the member of the Board, who replaces the Chairperson of the Board, for approval the draft agenda of the meeting of the Board.

20. The matter is included in the draft agenda of the meeting of the Board only in the case if documents are prepared in accordance with this Regulation and requirements determined in the document management procedure, and submitted to the secretary of the Board not later than two working days prior to the meeting of the Board, except the case, if the Chairperson of the Board or member of the Board, when approving the draft resolution in the EDUS system, has determined any other time period for submitting the draft resolution.

21. Draft agenda of the meeting of the Board is available to all members of the Board and persons invited to the meeting of the Board not later than one working day prior the meeting of the Board. Members of the Board are provided with access to the draft agenda of the meeting of the Board together with the submitted draft resolutions and the enclosed supporting documents.

22. In the case of extraordinary meetings of the Board, the draft agenda of the meeting of the Board is announced to all members of the Board immediately after approval of the draft agenda.

23. The working language of meetings of the Board and its documents is Latvian. Documents in foreign language may be enclosed to the draft resolution, if there is an objective reason for that, for example, the document is to be submitted to an organization of another country, it is planned to conclude an agreement in the foreign language, it is planned to announce the procurement procedure, where the representatives of tenderers are expected only from foreign countries.

V. Proceedings of the meeting of the Board

24. The Board is entitled to take decisions if at least two members of the Board participate at the meeting of the Board.

25. Members of the Board who are unable to attend the meeting of the Board have to inform on that the Chairperson of the Board and secretary of the Board.

26. The Board reviews only the issues that are included in the agenda thereof. Other matters may be resolved only in the case, if all members of the Board present at the meeting of the Board agree to review such matter and the draft resolution is prepared in accordance with this Regulation and the requirements of document management procedure.

27. Meeting of the Board is chaired by the Chairperson of the Board or, in their absence, by any other member of the Board determined by the Board in accordance with Paragraph 12 of the Regulation.

28. Each member of the Board has one vote. 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. Member of the Board gives their vote on the resolution electronically by using the EDUS system.

29. In case a conflict of interest occurs or may occur between the interest of the Company and personal or economic interests of any of the Board member, their father, mother, grandmother, grandfather, child, grandchild, adopted, adopter, brother, sister, step-sister, step

brother, spouse, person with whom they have a shared household (de facto cohabitation), the member of the Board does not participate in voting about the relevant matter of the agenda and it is recorded in the minutes of the meeting of the Board. In case of the above-mentioned case, the vote of the member of the Board is not taken into account, when determining the quorum for resolution of the relevant matter during the meeting of the Board (the member of the Board is regarded as non-present). Member of the Board has an obligation to notify about such interests not later than until the approval of the agenda of the meeting of the Board. Member of the Board who fails to comply with these provisions is responsible for the losses caused to the Company.

30. Pursuant to an invitation by the Board, other persons may participate in the meetings of the Board in an advisory capacity.

31. Persons, who are invited to the meeting of the Board due to resolution of any particular matter, participate in the meeting only as long as the issue, due to which they were invited, is being reviewed.

32. Meetings of the Board are recorded by the secretary of the Board, but during their absence, by another person appointed by the Board.

33. Minutes of the meeting of the Board are prepared, in accordance with provisions of the Commercial Law, Regulation and document management procedure.

34. Minutes of the meeting of the Board are signed by members of the Board, who have participated in the relevant meeting of the Board, and the secretary of the Board. In case of a remote meeting, the minutes of the meeting are signed as soon as possible, and the Board may determine that they are signed in accordance with the procedure determined by Commercial Law with regard to minutes of the meetings of the Board.

35. The Members of the Board review and agree on the minutes of the Board meeting using the EDUS system. Each member of the Board who has participated in the meeting of the Board has the right to submit objections to the draft minutes of the meeting electronically in the EDUS system until the next meeting of the Board, indicating the reason for such objections. Objections to the draft minutes of the Board meeting are reviewed using the EDUS system.

36. The minutes of the Board meeting are signed not later than until the next ordinary meeting of the Board.

37. Only those amendments and supplementations, which are specified in the minutes of the meeting of the Board, as well as editorial corrections may be made in the document approved during the meeting of the Board before signing thereof.

VI. Execution of the resolutions of the Board

38. Resolutions of the Board come into force as of the day of adoption thereof, unless the resolution determines otherwise.

39. Resolutions of the Board are delivered for execution by using the EDUS system to the employees of the Company who are responsible for execution thereof, on the day, when all members of the Board present in the meeting of the Board have agreed on the minutes of the meeting of the Board in the EDUS system.

40. Resolutions and instructions of the Board, where specific tasks, executors and performance deadlines are formulated, are subject to control. The head of the relevant unit of the Company is responsible for execution of such resolution and instructions of the Board.

VII. Secretary of the Board

41. Secretary of the Board is appointed by the Board and their activities are based on this Regulation, Articles of Association and applicable laws and regulations.

42. Minutes and resolutions of the meetings of the Board are created electronically in the EDUS system. Secretary of the Board ensures circulation of the draft agenda, materials and minutes of the meetings of the Board in the EDUS system.

43. Draft resolutions and the enclosed supporting documents are stored in the EDUS system. Minutes of the meeting of the Board are stored in accordance with the provisions of the document management procedure.

44. Secretary of the Board prepares the draft minutes of the meeting of the Board and delivers them for review to members of the Board not later than three working days after the meeting of the Board.

45. Secretary of the Board is responsible for preparation of the meetings of the Board, timely sending of notifications and documents, information of invited persons, presentation of the course of the meetings in minutes, timely preparation of the minutes and sending of excerpts of the resolutions of the Board to the persons, to whom the resolution applies.

VIII. Duties, rights and responsibilities of members of the Board

46. Members of the Board must perform their duties in accordance with provisions of the applicable laws and regulations, Articles of Association, this Regulation, the Regulations of the Council as far as the Board is concerned, as well as adhering the areas of competence defined for them.

47. Member of the Board has an obligation to follow the restrictions stipulated in the laws and regulations, incl. the Energy law.

48. Member of the Board may submit a notification at any time regarding leaving the office.

49. Members of the Board do not have the right to disclose the information protected by the Company to third parties. For the purpose of this Paragraph the term “third party” includes any legal entity or natural person that, in accordance with the applicable external and internal laws and regulations, does not have the right to receive such information.

50. Upon expiry of the term of office, the member of the Board submits to the Human Resources division all the technical equipment at their disposal related to performance of the duties of the member of the Board, as well as irreversibly erases, destroys the information and documents received from the Company, providing a written certification on that.

Chairperson of the Board	(personal signature*)	U. Bariss
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Member of the Board	(personal signature*)	G. Freibergs
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Member of the Board	(personal signature*)	M. Gode
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* Document is signed with secure electronic signature