

With Amendment approved
at the Extraordinary Meeting of Shareholders
on the 20th December 2017

Joint Stock Company “Conexus Baltic Grid” ARTICLES OF ASSOCIATION

SECTION I COMPANY NAME

- 1.1. The company name is joint stock company “Conexus Baltic Grid” (hereinafter - Company). The Company is established pursuant to amendments to the Energy Law, as adopted by the Parliament (*Saeima*) on 11 February 2016 providing for spin-off of natural gas transmission and storage activities from the joint stock company “Latvijas Gāze” (registration number 40003000642) into a legally and functionally separate company.
- 1.2. The Shareholders of the Company are individuals and legal entities, which have acquired shares of the Company (hereinafter – Shareholders).

SECTION II LEGAL STATUS, RIGHTS AND OBLIGATIONS OF THE COMPANY

- 2.1. The Company is incorporated and shall operate in accordance with the legal acts (hereinafter - Law), the present Articles of Association, the resolutions of the Company’s Shareholders’ meeting (hereinafter – Shareholders’ Meeting) and the Company’s supervisory council (hereinafter – Supervisory Council).
- 2.2. The Company is a legal entity and has its own individual balance sheet.
- 2.3. The Company has a corporate seal and trade mark(s), bank accounts and such other legal requisites as may be required.
- 2.4. The Company has civil capacity to act and legal capacity, including the right to act on its own behalf and on behalf of third parties, if duly authorized, to enter into agreements and transactions with any legal entity and individual, to acquire and alienate the property and to obtain rights and to undertake obligations, to act as a claimant, defendant or participant in court and arbitration proceedings.
- 2.5. The Company is entitled to undertake any export and import activities necessary for its business.

- 2.6. The Company is entitled to establish subsidiaries, open representative offices and branches in Latvia and abroad, take part in joint ventures and strategic alliances with other companies, to incorporate foreign subsidiaries or obtain shareholding in Latvian or foreign companies, as well as buy and sell securities of other companies. The Company shall be liable with all of its property for the obligations of its branches and representative offices.
- 2.7. The Company is entitled to possess, use, manage and dispose of its assets in accordance with its business objectives, laws of the Republic of Latvia and laws of the asset locations and other legal provisions.
- 2.8. The Company shall be liable for its own obligations with all of its property.
- 2.9. The Company shall not be liable for the obligations of its Shareholders; the Shareholders shall not be liable for the obligations of the Company, unless otherwise provided by the Law.
- 2.10. The official language of the Company is Latvian. The working languages of the Company are Latvian, English and Russian; the books and other documents of the Company shall be kept in Latvian.

SECTION III TYPES OF COMMERCIAL ACTIVITY

- 3.1. The objective of the Company is to ensure natural gas market participants with natural gas transmission and storage services, as well as development of the natural gas transmission and storage services and facilities.
- 3.2. The principal lines of activity of the Company according to the General Classification of Economic Activities (NACE, 2nd ed.) shall be as follows:
 - 3.2.1. Pipeline transportation (49.50), including transportation of natural gas along gas mains and transit of natural gas;
 - 3.2.2. Storage and warehousing (52.10), including storage of natural gas;
 - 3.2.3. Engineering activities and related consultancy (71.12), including engineering, construction supervision and management of all systems of gas transmission and storage;
 - 3.2.4. Development of construction design (41.1), construction of residential and non-residential buildings (41.2) and engineering-technical works (42.), including construction and assembly works on gas mains and systems of gas transportation;
 - 3.2.5. Installation of plumbing, heating and acclimatization techniques (43.22), as well as elsewhere not classified construction works (43.99);
 - 3.2.6. Installation of other engineering systems (43.29).
- 3.3. The Company is entitled to undertake other activities necessary for fulfilment of the main objectives of the Company.
- 3.4. The Company is entitled to manufacture, develop, acquire and sell, import and export products and render services, master, develop and use any kind of technology and know-how which is relevant for the operation and activities of the Company, sell such

products and services in Latvia and abroad, as well as perform any other commercial activity, performance of which is not prohibited by the Law.

- 3.5. Activities performance of which is subject to a special permission (license) or certificate(s) shall be commenced only after receipt of such license(s) or certificate(s) pursuant to the procedure specified by the Law.

SECTION IV THE CAPITAL OF THE COMPANY

- 4.1. The share capital of the Company is EUR 39 786 089 (thirty nine million seven hundred eighty six thousand eighty nine Euros). The share capital of the Company is formed by 39 786 089 (thirty nine million seven hundred eighty six thousand eighty nine) shares. The par value of a share is EUR 1 (one Euro).
- 4.2. All 39 786 089 (thirty nine million seven hundred eighty six thousand eighty nine) shares of the Company grant their owners equal rights, namely: rights to receive dividends and liquidation quotas, as well as voting rights at the Shareholders' Meeting, subject to restrictions provided in Clause 9.4. hereof.
- 4.3. All the shares of the Company are registered shares.
- 4.4. All the shares of the Company are dematerialised shares.
- 4.5. The share capital of the Company can be increased or decreased by a resolution of the Shareholders' Meeting, which approves regulations for an increase or decrease of the share capital and amendments to the Articles of Association.
- 4.6. Money and securities, property and intellectual property invested by the Shareholders into the Company's share capital form the property of the Company.

SECTION V SECURITIES OF THE COMPANY

- 5.1. The Company may issue shares and other securities.
- 5.2. The Shareholders' Meeting determines the amount, timeline, terms and conditions, and other issues related to the issue of Company's shares. The Shareholders' Meeting approves the rules of such issue. The issue and distribution of the shares shall be organized by the Company's management board (hereinafter – Management Board) in accordance with the procedures set forth by the Shareholders' Meeting.
- 5.3. Information on the owners of registered shares, as well as transfers of registered shares shall be recorded in the Register of Shareholders of the Company. Owners of registered shares shall obtain rights of a Shareholder only upon registration in the Register of Shareholders.

With respect to dividends and other payments due to a Shareholder from the Company, a Shareholder shall inform the Management Board of its officially declared place of residence or legal address, bank account number and tax residency country. A Shareholder is obliged to immediately notify the Management Board of any changes in the relevant information.

- 5.4. The acquirer of registered share shall notify the Company about the acquisition of shares in the form of a common application, which is prepared by the person alienating

his shares and the person buying the shares, or by means of an act evidencing the transaction. The record in the Register of Shareholders of the Company shall be made no later than on the next day after the Management Board receives the information on changes in the records of the Register of Shareholders of the Company, unless Clause 9.1. and 9.2. hereof applies, in which case the entry into the Register of Shareholders of the Company is made only upon entry into force of the respective decision of the Cabinet of Ministers.

SECTION VI COMMERCIAL AND FINANCIAL ACTIVITIES OF THE COMPANY

- 6.1. The Company's report (financial) year shall start on January 1 and end on December 31.
- 6.2. The Company's annual report shall give a true and fair view of the Company's assets, liabilities and equity, its financial position and income and expenses for the reporting year. It shall be drawn up in accordance with provisions of the Annual Reports and Consolidated Annual Reports Law of the Republic of Latvia and the International Financial Reporting Standards.
- 6.3. Immediately, but no later than within 2 (two) months after the end of the operating year the Management Board shall submit the Company's annual report for audit to an internationally recognized sworn (certified) auditor registered in the Republic of Latvia or a commercial company of sworn (certified) auditors (hereinafter - Auditor).
- 6.4. The audit of the Company's annual report shall also include the audit of the Company in order to make sure that accounting records in the Company comply with the basic principles of accounting and that aforementioned documents give a true and fair view of the Company's financial position.
- 6.5. The Company shall organize its bookkeeping and accounting and keep its records as required by the Law.
- 6.6. The Management Board shall be responsible for bookkeeping and accounting records.
- 6.7. The dividend and financial policy of the Company shall be based on the following principles:
 - 6.7.1. In order to reach a sound financial basis, the Company shall pursue adequate equity/financing ratios. In order to reach these ratios, retained earnings will be established from net profit after tax as long as it will be necessary;
 - 6.7.2. The Company will operate in accordance with such basic principles, so that an adequate net profit after tax is achieved;
 - 6.7.3. The distribution of an adequate dividend to the Shareholders will be carried out each fiscal year, while determination and payment of interim dividends (within the meaning given to this term under the Latvian Commercial Law) shall be made in accordance with Clauses 6.10. and 6.11;
 - 6.7.4. The distribution of dividends will only be paid from available cash funds of the Company.
- 6.8. All the annual net profit of the Company, after deducting mandatory payments into the State budget according to the Law, payments into the funds of the Company and other

payments determined by the Shareholders' Meeting, is distributed among the Shareholders in proportion to their shareholding in the share capital of the Company.

- 6.9. The property of the Company shall be insured with a Latvian or foreign insurance company. The insurance coverage and form of insurance shall be determined by the Management Board.
- 6.10. The Company may determine, calculate and pay extraordinary dividends in compliance with the provisions of the Commercial Law. The Shareholders' Meeting shall take a decision to determine extraordinary dividends:
 - 6.10.1. not earlier than 3 (three) months after taking a previous decision of the Shareholders' Meeting to determine dividends; and
 - 6.10.2. not later than 3 (three) months after the end of the reporting period regarding which a report on economic activity of the Company has been drawn up.
- 6.11. The Management Board shall be entitled to convene an extraordinary Shareholders' Meeting to adopt a decision on the determination of extraordinary dividends pursuant to Clause 6.10. hereof, if during the respective reporting period the Company has made profit and the Management Board sees financial or economic substantiation for paying extraordinary dividends.

SECTION VII MANAGEMENT OF THE COMPANY

- 7.1. The management institutions of the Company shall be the Shareholders' Meeting, the Supervisory Council and the Management Board.
- 7.2. The Shareholders' Meeting shall be the superior management institution of the Company.
- 7.3. Only the Shareholders' Meeting shall be entitled to decide on:
 - 7.3.1. The annual report of the Company;
 - 7.3.2. Distribution of the profit of the previous operating year;
 - 7.3.3. Appointment and dismissal of the members of the Supervisory Council, Auditor, Company's controllers and liquidators;
 - 7.3.4. Bringing of claims against members of the Management Board and the Supervisory Council, and the Auditor, or dismissal of claims against them, as well as appointment of a representative of the Company for upholding the claim against the members of the Supervisory Council;
 - 7.3.5. Making amendments to the Articles of Association of the Company;
 - 7.3.6. Increase or decrease of the share capital of the Company;
 - 7.3.7. Termination or continuation of the activities of the Company or reorganization of the Company;
 - 7.3.8. Issue and conversion of the securities of the Company;
 - 7.3.9. Determination of remuneration for members of the Supervisory Council and the Auditor;
 - 7.3.10. Entering into, amending or terminating a group of companies' agreement;

- 7.3.11. Inclusion of the Company or consent to inclusion in accordance with the Group of Companies Law;
- 7.3.12. Inclusion of the Company's shares on the regulated market of financial instruments or exclusion therefrom;
- 7.3.13. Other issues if directly envisaged by the Law.
- 7.4. The regular Shareholders' Meeting shall be annually convened by the Management Board. When convening a regular Shareholders' Meeting, the Management Board shall take into account the period prescribed in the Law for approval of annual reports.
- 7.5. The Management Board shall notify the owners of registered shares about the Shareholders' Meeting at least 30 (thirty) days before the Shareholders' Meeting by sending a written notice to each Shareholder to the respective addresses indicated in the Register of Shareholders, or by sending a notice by fax. The notice by fax shall be considered received as of the date when the facsimile message is received. Each notice shall specify the Company's name and the registered address of the Company, place, date and time of calling the Shareholders' Meeting, type of the Shareholders' Meeting (regular or extraordinary), the body which calls the Shareholders' Meeting, the activities which the Shareholders should perform in order to take part and vote at the Shareholders' Meeting, the status of the regulations on representation of Shareholders at the Shareholders' Meeting, agenda of the Shareholders' Meeting, venue and time to allow Shareholders to acquaint with draft resolutions regarding agenda of the Shareholders' meeting and regarding other issues to be resolved at the Shareholders' meeting; as well as shall include draft resolutions on amendments to the Articles of Association of the Company, if any.
- 7.6. The extraordinary Shareholders' Meeting shall be convened by the Management Board on its own initiative or if requested by the Supervisory Council, Auditor or Shareholders representing together at least 5% (five per cent) of the Company's shares with voting rights (for the purposes of calculation of the 5 % threshold shares held by the Shareholders with no voting rights pursuant to Clause 9.4. hereof shall be disregarded), by indicating the reasons and agenda of the extraordinary Shareholders' Meeting. The Management Board shall call the extraordinary Shareholders' Meeting not later than within 2 (two) weeks after receipt of the respective request.
- 7.7. The Shareholders' Meeting is quorate if at least one half of the Company's shares with voting rights are represented at the Shareholders' Meeting.

If the regular Shareholders' Meeting announced on time is not quorate, a repeated Shareholders' Meeting with the same agenda shall be convened not later than within a month. Such a repeated Shareholders' Meeting shall be announced not less than 20 (twenty) 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 this Shareholders' Meeting.

If the extraordinary Shareholders' Meeting announced on time is not quorate, a repeated extraordinary Shareholders' Meeting with the same agenda shall be convened not later than within a month and it may proceed on all issues listed in the agenda if at least one quarter of the Company's shares with voting rights is represented at the Shareholders' Meeting. If there is no such quorum, the Shareholders' Meeting shall be postponed and convened again within 2 (two) months after the initial 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 this Shareholders' Meeting.

The Shareholders with no voting rights pursuant to Clause 9.4. hereof shall not participate in the Shareholders' Meetings, and shares held by such Shareholders with no voting rights pursuant to Clause 9.4. hereof shall be disregarded in determination of the quorum in accordance with this Clause 7.7.

- 7.8. The Shareholders' Meeting shall adopt resolutions by open ballot and simple majority vote of Shareholders with voting rights (pursuant to the restrictions stipulated in Clause 9.4. hereof) being present. If requested by one tenth of the voting share capital of the Company (with due regard to the voting restrictions stipulated in Clause 9.4.), all the issues or specific issues on the agenda shall be decided by secret ballot.
- 7.9. The following issues may be decided by the Shareholders' Meeting only if at least three fourths of the Company's shares with voting rights (pursuant to the restrictions stipulated in Clause 9.4. hereof) are represented and the resolutions of the Shareholders' Meeting on these issues are adopted if voted for by 85% (eighty-five per cent) of the voting shares represented at the Shareholders' Meeting:
 - 7.9.1. Making of amendments to the Company's Articles of Association;
 - 7.9.2. Increase of the share capital of the Company;
 - 7.9.3. Decrease of the share capital of the Company;
 - 7.9.4. Liquidation or reorganization of the Company;
 - 7.9.5. Issue of new types and/or categories of shares of the Company;
 - 7.9.6. Issue of Company's securities;
 - 7.9.7. Reorganization of the Company;
 - 7.9.8. Conversion of Company's registered shares into bearer shares and vice versa;
 - 7.9.9. Entering into, amending or terminating a group of companies' agreement;
 - 7.9.10. Inclusion of the Company or consent to inclusion in accordance with the Group of Companies Law;
 - 7.9.11. Inclusion of the Company's shares on the regulated market of financial instruments or exclusion therefrom.
- 7.10. Minutes of the Shareholders' Meeting shall be kept. Minutes shall be signed by the chairman of the Shareholders' Meeting and two Shareholders elected by the Shareholders' Meeting who shall verify the correctness of the meeting minutes, as well as by the secretary of the Shareholders' Meeting.
- 7.11. The Supervisory Council is a supervisory body of the Company, which represents interests of the Shareholders between Shareholders' Meetings and performs supervision of activities of the Management Board within the limits provided by the Law and these Articles of Association. The Supervisory Council shall operate in accordance with its approved Regulation.
- 7.12. The Supervisory Council shall consist of 7 (seven) members.
- 7.13. The Supervisory Council shall be elected by the Shareholders' Meeting for the term of three years.

Members of the Supervisory Council who have commenced performance of their duties until 30 December 2017 (inclusive) shall hold the office until 30 December 2017 (inclusive).

A Shareholder or a group of Shareholders are entitled to nominate their representatives for election to the Supervisory Council save the Shareholders with no voting rights pursuant to Clause 9.4. hereof. There may be nominated such a number of representatives that if dividing the shares with voting rights represented by a Shareholder or a group of Shareholders by the number of representatives to be nominated, each representative has not less than 5 (five) per cent of whole share capital with voting rights represented at the Shareholders' Meeting. The shares held by the Shareholders with no voting rights pursuant to Clause 9.4 hereof shall be disregarded for the calculations of the thresholds provided herein.

The Shareholders' Meeting shall include each nominated candidate in the list of candidates to the Supervisory Council, unless the respective candidate has been nominated by a Shareholder subjected to restrictions provided in Clause 9.4. hereof or does not qualify for the position due to restrictions provided in the Energy Law.

When voting for members of the Supervisory Council, each Shareholder with voting rights is entitled to give all votes belonging to him/her to one or several representatives included in the list in whole numbers in any proportion. Simultaneous voting for all of the candidates included in the list shall be made.

Candidates with the largest number of votes cast in their favour by the Shareholders' Meeting shall be deemed to be elected to the Supervisory Council.

If a member of the Supervisory Council leaves his/her post or is dismissed from his/her post before the expiry of the Supervisory Council mandate, including dismissal due to restrictions for Supervisory Council members provided in the Energy Law, new elections are held during which the whole composition of the Supervisory Council is re-elected.

- 7.14. The Chairman of the Supervisory Council and one Vice-Chairman shall be elected by simple majority of votes of the Supervisory Council from amongst themselves.
- 7.15. Assignments of the Supervisory Council shall be as follows:
 - 7.15.1. To elect and recall the members of the Management Board, regular supervision of activity of the Management Board, specifying remuneration for members of the Management Board;
 - 7.15.2. To supervise that the operations of the Company are performed in accordance with the Law, the Articles of Association and resolutions of the Supervisory Council;
 - 7.15.3. To review the Company's annual report or a report on economic activity and proposal of the Management Board on the use of profit, to draw up a report for the Shareholders Meeting;
 - 7.15.4. To represent the Company's interests in the court regarding all claims brought by the Company against the members of the Management Board, including all claims brought by the members of the Management Board against the Company and representation of the Company in other court relations with the members of the Management Board;

- 7.15.5. To give a prior approval to the conclusion of, or to amendments to a transaction between the Company and its Shareholders, related persons, or persons related to a Shareholder (irrespective of their place of residence, citizenship, place of incorporation or registered office), or any Management Board or Supervisory Council member, or the Auditor;
- 7.15.6. To consider preliminary all issues included in the agenda that are in the competence of the Shareholders' Meeting, or proposed for discussion in the Shareholders' Meeting at the request of the members of the Management Board or the Supervisory Council, and submission of conclusions on these issues;
- 7.15.7. To approve Company's 3 (three) year Business Plan.
- 7.16. The Supervisory Council shall be entitled to form permanent or temporary commissions to consider particular issues and to prepare reports on them.
- 7.17. The Supervisory Council shall be entitled at any time to demand from the Management Board a report on the overall position of the Company, structural units of the Company, enterprises, branches and representative offices, to receive full information on their position and transactions entered into, to review budgets, balance sheets and Auditor's reports on the Company, its branches, representative offices and enterprises, to review registers and books of the Company, its branches, representative offices and enterprises, to inspect other registers and documents, cash register and securities of the Company. Any 2 (two) members of the Supervisory Council together shall be entitled to request such report from the Management Board to be given to the Supervisory Council.
- 7.18. Meetings of the Supervisory Council are convened by the Chairman of the Supervisory Council as necessary, but at least once in a quarter. The Management Board and each member of the Supervisory Council are entitled to demand calling of an extraordinary meeting by indication on the reason and purpose of the meeting.
- 7.19. The Chairman of the Supervisory Council shall notify the members of the Supervisory Council in writing on the meeting at least 2 (two) weeks ahead. In urgent cases, the Chairman may decide to shorten this period to 1 (one) week. Notice on the meeting shall be accompanied by the agenda and draft resolutions. The Supervisory Council may discuss issues not properly notified only with the consent of all the members of the Supervisory Council present at the meeting. A resolution on such issues can only be taken if no member of the Supervisory Council objects to this procedure.
- 7.20. The Supervisory Council shall be competent to adopt resolutions if more than a half of the members of the Supervisory Council are present. Absent members of the Supervisory Council shall be entitled to vote on any resolution of the Supervisory Council by submitting the vote in writing to another member of the Supervisory Council, and in such case they will be considered as being present in solution of such issue. Voting by telephone or otherwise is allowed only if communication facilities permit the member of the Supervisory Council simultaneously participate in discussion of the issue and in making a resolution, and provided that this action is properly documented.
- 7.21. The Supervisory Council shall decide issues with the majority of the votes of the Supervisory Council members (with voting rights) attending the meeting.

- 7.22. Minutes of the Supervisory Council meetings shall be kept. Minutes of the meeting shall be signed by all the members of the Supervisory Council taking part in the meeting.
- 7.23. The Management Board of the Company shall comprise of 3 (three) members. The members of the Management Board shall be elected by the Supervisory Council for a term of 3 (three) years. Members of the Management Board who have commenced performance of their duties before 31 December 2017 shall hold the office until election of the new members of the Management Board.
- 7.24. The members of the Supervisory Council shall elect the Chairman of the Management Board from amongst the members of the Management Board.
- 7.25. The Supervisory Council may recall any member of the Management Board if there is a serious reason. A serious reason in any case shall be a gross violation of powers, non-fulfilment or improper fulfilment of duties, inability to manage the Company, harming interests of the Company, as well as a vote of no confidence manifested by the Shareholders' Meeting.
- 7.26. The Management Board supervises and manages all activities of the Company, represents the Company and manages the Company's property in accordance with the Law, these Articles of Association and the resolutions of the Shareholders' Meeting and the Supervisory Council. The Management Board decides on all issues, which are not in the competence of the Supervisory Council or the Shareholders' Meeting.

The Management Board shall get a prior consent of the Supervisory Council for adoption of resolutions on the following issues:

- 7.26.1. Acquiring shares in other companies, increase or decrease of such shareholding;
- 7.26.2. Foundation of the subsidiaries of the Company;
- 7.26.3. Purchase and sale of the assets substantial for the operation of the Company;
- 7.26.4. Foundation or closure of companies, branches and representative offices, as well as approval of their regulations (Articles of Associations), purchase, sale and lease of Company's property, or suspension of Company's operations;
- 7.26.5. Not stipulated in the respective Annual Budget of the Company:
 - 7.26.1.1. Purchase of the real estate at a price over EUR 100,000 (one hundred thousand Euros);
 - 7.26.1.2. Purchase of any real estate, if the annual purchase amount of real estate exceeds EUR 400,000 (four hundred thousand Euros);
 - 7.26.1.3. Sale of the real estate at a price above EUR 200,000 (two hundred thousand Euros)
 - 7.26.1.4. Lease of the real estate at the lease payment, which per year is higher than EUR 100,000 (one hundred thousand Euros)
 - 7.26.1.5. An encumbering of the real estate;
- 7.26.6. Granting guarantees, except for guarantees to be granted to fulfil the measures stipulated in the Annual Budget;
- 7.26.7. Conclusion of, or amendments to a transaction between the Company and its Shareholders, related persons, or persons related to a Shareholder (irrespective

- of their place of residence, citizenship, place of incorporation or registered office), or any Management Board or Supervisory Council member, or the Auditor;
- 7.26.8. Closing of transactions, which are not stipulated in the Company's respective Annual Budget and amount of which exceed EUR 300,000 (three hundred thousand Euros) or the term is longer than 1 (one) year;
 - 7.26.9. Entering into strategically important long-term agreements on cooperation, as well as conclusion of such cooperation agreements, which require Company's financing exceeding the amount stated in the Clause 7.26.8. hereof;
 - 7.26.10. Contracting legal advisers, broker companies, advisers, investment consultants or auditor companies to prepare the public issue prospectus of Company's securities;
 - 7.26.11. Granting of loans and taking of loans not stipulated in the Company's Annual Budget;
 - 7.26.12. Preliminary review of the issue regarding a merger with another company or acquisition by another company;
 - 7.26.13. Approval of the 3 (three) year Business Plan;
 - 7.26.14. Approval of the Annual Budget;
 - 7.26.15. Establishment and use of the Company's reserves;
 - 7.26.16. Approval of the Regulation of the Management Board;
 - 7.26.17. Other significant issues.
- 7.27. The Management Board shall act according to the instructions of the Supervisory Council and the Management Board Regulation, which after consent from the Supervisory Council have been approved by the Management Board.
 - 7.28. Members of the Management Board may at any time demand from employees of the Company a report on the overall position of the Company, receive full information on the operations and transactions of the Company, its branches, enterprises and representative offices, check the budgets, balance sheets, Auditor's reports on the Company and its branches, representative offices and enterprises, check other Company's records and documents.
 - 7.29. Meetings of the Management Board shall be convened at necessity, but at least one time in a month. Meetings are convened by the Chairman of the Management Board. The Management Board is entitled to decide on issues, if at least 2 (two) members of the Management Board are present. Management Board meetings shall be held in accordance with the procedure stipulated by the Management Board Regulation.
 - 7.30. Resolutions shall be adopted by simple majority of votes of the Management Board members.
 - 7.31. Minutes of the meetings of the Management Board shall be kept. Minutes shall be signed by the Chairman of the Management Board, all the Management Board members present, as well as the minutes' taker.
 - 7.32. The Management Board shall submit at least once a quarter to the Supervisory Council and once a year to the Shareholders' Meeting a written report on its activities and most significant intentions regarding commercial operations and management, financial

results of the Company, cash flow, main commercial activities conducted, sale of the goods and services, movement of securities and other activities important for the operation of the Company. The Supervisory Council or the Shareholders' Meeting may request more frequent reports by the Management Board.

- 7.33. The Chairman of the Management Board shall manage the activities of the Management Board and organize everyday management of the Company, including:
 - 7.33.1. Informing the Supervisory Council on any significant aspect of the Company's operations;
 - 7.33.2. Submitting the Company's structure for approval to the Management Board;
 - 7.33.3. Deciding on all operational issues of the Company within his competence;
 - 7.33.4. Organizing fulfilment of the resolutions of the Shareholders' Meeting;
 - 7.33.5. Performing other functions provided in the Regulation of the Management Board;
 - 7.33.6. Reporting to the Supervisory Council on transactions concluded or amended thereof between the Company and its Shareholders, related persons, or persons related to a Shareholder (irrespective of their place of residence, citizenship, place of incorporation or registered office), or any member of the Management Board or of the Supervisory Council, or the Auditor;
 - 7.33.7. Organizing preparation of the Regulation of the Management Board and coordination thereof with the Supervisory Council.
- 7.34. The Company may be represented by any two Management Board members jointly.

SECTION VIII

AUDIT OF THE COMPANY'S OPERATIONS

- 8.1. The financial statements of the Company shall be audited by an independent internationally recognized Auditor.
- 8.2. The Shareholders' Meeting each year shall make a decision on appointment of a specific Auditor. Auditor shall audit the activities performed during the reporting year and perform his/its duties until the next annual Shareholders' Meeting.
- 8.3. When detecting violations and inaccuracies, Auditor shall immediately inform the Management Board and the Supervisory Council.
- 8.4. Immediately, but no later than 2 (two) months after the end of the reporting year, the Management Board shall inform the Auditor that the Company's annual report has been prepared, the balance sheet closed and the documents are ready for the audit.
- 8.5. The Auditor shall draw up an opinion on the results of the audit of Company's operations indicating whether the annual report and the Management Board's report, as well as the Company's accounting complies with the requirements of the Law, whether the financial statements give a true and fair view of the Company's assets, liabilities and equity and the Company's financial position at the end of the reporting year, as well as income and expenses in the reporting year, and whether the Management Board has provided all the necessary information, documents and explanations for the annual

report audit. The Auditor shall inform the Shareholders' Meeting of the Auditor's report.

- 8.6. If the Shareholders' Meeting deems it necessary, it may elect one or several controllers of the Company authorized to conduct audit of the Company's operations at any time provided that the Management Board is properly informed of such action.

SECTION IX FINAL PROVISIONS

- 9.1. As of 2 April 2017 a Shareholder who alienates more than 1 (one) percent of the Company's shares shall submit an offer to the Cabinet of Ministers for the Republic of Latvia to use the State's pre-emption rights pursuant to the requirements set forth in the Energy Law.
- 9.2. If the Cabinet of Ministers elects not to exercise the State's pre-emption rights, the share transfer deal shall enter into force only if the Cabinet of Ministers adopts a decision on giving consent to such transaction pursuant to the Energy Law.
- 9.3. In compliance with the requirements stipulated in the Energy Law as of 31 December 2017, prohibitions provided by the Energy Law for the controlling Shareholder in the Company or joint stock company "Latvijas Gāze" (registration number: 40003000462) simultaneously exercising direct or indirect control in the Company and joint stock company "Latvijas Gāze" or any other undertaking performing any of the functions of production or supply of natural gas, shall not apply to the Shareholder which is a financial institution or a company founded for a special purpose, the supervision of which is carried out by a competent authority supervising the financial and capital market of the Republic of Latvia, another European Union Member State, a Member State of the European Economic Area, or a member country of the Organisation for Economic Co-operation and Development, and if it is discovered that the activities of the respective financial institution or the company founded for a special purpose causes no conflicts of interests between the Company, the joint stock company "Latvijas Gāze" or any other undertaking performing any of the functions of production or supply of natural gas.
- 9.4. In compliance with the requirements set forth in the Energy Law regarding the prohibition for a person directly or indirectly exercising control over the Company or joint stock company "Latvijas Gāze" (registration number: 40003000462), or any other undertaking performing any of the functions of production or supply of natural gas, to simultaneously exercise direct or indirect control in both the Company and joint stock company "Latvijas Gāze", or any other undertaking performing any of the functions of production or supply of natural gas, as of 31 December 2017 any Shareholder to whom this prohibition applies shall not attend or participate at the Shareholders' meeting and shall not exercise any other Shareholder's rights, including voting rights, but save the right to receive dividends and liquidation quota.

The Shareholders deprived from voting rights due to the above mentioned restrictions emanating from the Energy Law shall not be taken into account in determining the quorum of, or outcome of the voting by, the Shareholders' Meeting.

If a Shareholder, to whom this prohibition applies, transfers its shares to a person to whom this prohibition is not applicable, the transferred shares participate in the decision making at the Shareholder's Meeting as of the date on which the respective

share transfer has been duly reflected in the Register of Shareholders pursuant to Clause 5.4. hereof and as long as the new Shareholder abides by the Energy Law requirements on prohibition to simultaneously exercise direct or indirect control in both the Company and any other undertaking performing any of the functions of production or supply of natural gas.

Chairman of the Management Board of
Joint Stock Company "Conexus Baltic Grid"

Aigars Kalvītis

Chairman of the Shareholders' Meeting
on 20 December 2017

Ģirts Apsītis

Secretary of the Shareholders' Meeting
on 20 December 2017

Vidaga Putniņa

Shareholder - Person attesting the correctness of
the minutes of Shareholders' Meeting on 20 December 2017:
Representative of Limited Liability Company "ITERA Latvija"

Iveta Kļaviņa

Riga, 20th December 2017