

APPROVED
by order of the Minister of Finance of the
Republic of Lithuania
of 16 September 2020 No 1K-306

AB IGNITIS GRUPĖ SHARE ALLOCATION RULES

CHAPTER I GENERAL PROVISIONS

1. AB Ignitis grupė share allocation rules (hereinafter referred to as the Rules) establish the rules for allocation of shares of AB Ignitis grupė (hereinafter referred to as the Company) to the Company and its subsidiaries (including subsequent subsidiaries, as well as foreign subsidiaries) in which the Company directly and/or indirectly has a majority of the voting rights or may directly or indirectly exercise a decisive influence as defined in Article 5 of the Republic of Lithuania Law on Companies (hereinafter referred to as the Group companies), employees and key executives.

2. Terms used in the Rules:

2.1. **The Company's share** (hereinafter referred to as the share) shall mean an ordinary registered intangible share of the Company with a nominal value of EUR 22.33 (twenty-two euros thirty-three cents).

2.2. **Employee** shall mean a person, except for key executives, who has an employment relationship with a Group company.

2.3. **Retention period** shall mean the term of 3 years for employees specified in the option agreement and the term of 4 years for key executives, which starts from the date of signing the option agreement and upon which the right of ownership of shares may be exercised (for key executives the right of ownership of shares may be exercised not earlier than the Supervisory Board of the Company makes a decision on adjustment of the number of shares provided for in Clause 8 of the Rules) under the established conditions and procedure.

2.4. **Option agreement** shall mean an agreement concluded between an employee or the key executives and the Company regarding the right of the employee or key executives to acquire shares in the future upon maturity, under the conditions and in accordance with the procedure specified in this agreement.

2.5. **Key executives** shall mean the employees of the Board of the Company (including the Chairman of the Board), as well as the General Manager of AB Energijos skirstymo operatorius, the General Manager of UAB Ignitis, the General Manager of AB Ignitis gamyba, the General Manager of UAB Ignitis renewables. By the decision of the Supervisory Board of the Company, other General Managers and employees of the Group companies with strategic responsibilities and members of the executive boards having strategic responsibilities may be assigned to the key executives, and by the decision of the Board of the Company – other employees with strategic responsibilities may also be assigned to the key executives.

3. The purpose of implementation of the Rules is:

3.1. to attract and retain competent, fast-learning, technologically advanced, globally thinking and innovating, motivated, loyal employees of the Group companies;

3.2. to provide additional incentives to employees and to ensure the implementation of the strategy and goals of the Group companies;

3.3. to promote employee motivation to increase the value of the Group companies, a sense of ownership and to take responsibility for the organisation;

3.4. to create motivation for key executives to pursue sustainable and long-term strategic goals;

3.5. to grant employees and key executives the right to the Company's share of ownership, to acquire property and non-property rights of a shareholder, respectively.

CHAPTER II CONCLUSION OF OPTION AGREEMENTS

4. The option agreement may be entered into only by employees or key executives who have an employment relationship with the Group company at the date of signing the option agreement, except for employees or key executives who have been informed or informed the Group company themselves concerning the termination of the employment relationship. The Board of the Company has the right to determine other cases when option agreements with employees are not concluded.

5. Employees and/or key executives have the right, but not the obligation, to enter into an option agreement.

6. The option agreement with the employee specifies the maximum number of shares offered to him/her, which is an integer obtained by dividing the amount set by the Board of the Company by the share price determined by the Supervisory Board of the Company as a ratio or monetary amount (hereinafter referred to as the share price).

7. The option agreement with the key executive specifies the maximum number of shares offered to him/her for acquisition, which consists of an integer obtained by dividing the amount set by the Supervisory Board of the Company by the share price.

8. The maximum number of shares specified in the option agreement with the key executive in the fourth financial year, starting from the next financial year after concluding the option agreement, is reviewed and may be reduced under the terms and conditions of the option agreement. The long-term strategic goals (indicators) for the key executives for 4 years are set annually by the Supervisory Board of the Company, taking into account the Company's 4-year strategic goals set in the 4-year strategic plan.

9. Each employee and/or key executive who is offered to acquire shares and enter into an option agreement shall be informed thereof by indicating the number of shares to be acquired, the terms and procedure of acquisition, the term of retention, by submitting a draft option agreement and indicating the term for signing the option agreement, which shall be established by the Board of the Company.

10. The terms and conditions of the option agreement shall be established by the Board of the Company in accordance with the Rules, as well as other provisions detailing the implementation of the Rules.

CHAPTER III SHARE ALLOCATION

11. The shares shall be allocated by transferring the Company's own shares.

12. Shares shall be allocated to employees and/or key executives free of charge under the option agreement.

13. Upon expiration of the retention period, the Group company shall notify the employee and/or the key executive about the end of the retention period and the employee's and/or key executive's right to claim the Company's shares under the terms and conditions of the option agreement by entering the shares in the employee's and/or key executive's personal securities account.

14. The Board of the Company determines the conditions of the right to acquire and retain the maximum number of shares offered to the employee and/or the cases when the employee's employment relationship with the Group company ends before the end of the retention period.

15. The key executive shall lose all rights under the option agreements (under which ownership of the shares has not yet been exercised) if:

15.1. he/she ceases to hold office due to a breach of duties established by his/her own acts or omissions established by the norms of labour law, employment and/or civil contract;

15.2. he/she resigns, terminates the employment contract on his/her own initiative without good reason.

16. The option agreement shall be deemed to expire from the day when the Group company informs the key executive about the occurrence of the circumstances specified in Sub-Clause 15.1 of the Rules, and in the case specified in Sub-Clause 15.2 of the Rules – from the date of submitting a written statement from the key executive.

17. The Company does not impose any restrictions on the shares transferred to the personal securities account of the employee and/or the key executive. Employees and/or key executives shall acquire the ownership of the shares from the date of their entry in the personal securities account of the employee and/or key executive.

CHAPTER IV BODIES OF THE COMPANY THAT MAKE DECISIONS ON THE NUMBER OF SHARES OFFERED FOR PURCHASE

18. The decision on the number of shares offered to employees shall be made by the Board of the Company.

19. The decision on the number of shares offered to the key executives to be acquired (decision on the maximum number of shares and decision on the adjustment of the number of shares as specified in Clause 8 of the Rules) shall be made by the Supervisory Board of the Company.

CHAPTER V FINAL PROVISIONS

20. The Company shall provide information on the number of shares for which option agreements have been entered into with employees and/or key executives and on the specific number of shares acquired by employees and/or key executives in accordance with the legislation governing disclosure of material events.

21. Each year, the Board of the Company shall submit to the Ordinary General Meeting of Shareholders information on the implementation of the Rules during the previous financial year.

22. The retention period for option agreements concluded in 2020 with key executives is determined until the adoption of the decision of the Supervisory Board of the Company on the adjustment of the number of shares to be acquired in 2024, upon assessment of the percentage of key executives' long-term strategic goals (indicators) for 2020–2023.

23. The Rules shall be published on the Company's website at www.ignitisgrupe.lt.
