APPROVED
by Order No 1K-205 of the Minister of Finance
of the Republic of Lithuania of 7 June 2013
(version of Order No 1K-85 of the Minister of Finance
of the Republic of Lithuania of 14 April 2025,
amendment to Order No 1K-323 of 6 November 2026)

DESCRIPTION OF THE GUIDELINES ON CORPORATE GOVERNANCE OF THE STATE-OWNED GROUP OF ENERGY COMPANIES

SECTION 1
GENERAL PROVISIONS

1. The Description of the Guidelines on Corporate Governance of the State-Owned Group of Energy Companies (hereinafter referred to as the Description) outlines corporate governance guidelines that cover the general principles of the governance model of AB "Ignitis grupė" (hereinafter referred to as the Company) and its subsidiaries, irrespective of their place of establishment (hereinafter referred to as the Group of companies), which apply to the governance structure and the management and control system. It is recommended that the Description be followed in forming the governance structure of the Group of companies and implementing the management and control system.

2. The corporate governance of the Group of companies is understood as a system designed to manage and control the Group of companies with a view to pursuing the objectives that are common not only to an individual company but also to the entire Group of companies. The Company implements the corporate governance of the Group of companies by performing the functions of patronage outlined in the Articles of Association.

3. The Description has been prepared in accordance with the Law on Companies of the Republic of Lithuania, the Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania (hereinafter referred to as the Law on the Disposal of Assets), the Corporate Governance Code for the Companies Listed on NASDAQ Vilnius as approved at the meeting of the Management Board of AB NASDAQ Vilnius on 21 August 2006 (minutes No 06-72) (hereinafter referred to as the Governance Code), OECD (Organisation for Economic Cooperation and Development) Guidelines on Corporate Governance of State-Owned Enterprises and Principles of Corporate Governance, the Description of the Guidelines for Ensuring Transparency of State-Owned Enterprises as approved by Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010 "On the Approval of the Description of the Guidelines for Ensuring Transparency of State-Owned Enterprises", and the Description of the Procedure for the Implementation of Property and Non-Property Rights of the State in State-Owned Enterprises as approved by Resolution No 665 of the Government of the Republic of Lithuania of 6 June 2012 "On the Approval of the Description of the Procedure for the Implementation of Property and Non-Property Rights of the State in State-Owned Enterprises" (hereinafter referred to as the Description of the Implementation of Rights), the Description of the Selection of Candidates for the Collegial Supervisory or Management Body of a State or Municipal

Enterprise, a State-Owned or Municipally-Owned Company or its Subsidiary, as approved by Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015 "On the Approval of the Description of the Selection of Candidates for the Collegial Supervisory or Management Body of a State or Municipal Company, a State-Owned or Municipally-Owned Enterprise or its Subsidiary" (hereinafter referred to as the Description of the Selection of Candidates), as well as other legal acts governing the activities of the Group of companies. The application of the principles of corporate governance for the Group of companies (hereinafter referred to as the Principles of Corporate Governance) is based on international and national legal acts as well as best corporate governance practices.

4. The Description shall be followed when relevant decisions are made by the principal shareholder of the Company or by the supervisory or management bodies of the Group of companies.

SECTION 2
PRINCIPLES OF CORPORATE GOVERNANCE

5. The Principles of Corporate Governance are as follows:

5.1. Creating preconditions for effective corporate governance: an environment in which the Group of companies or individual companies operate promotes transparency in the market and ensures the separation of management, supervisory and state regulatory functions.

5.2. Exercising the rights conferred by shareholders' shares: the corporate governance system shall ensure the possibilities of exercising property and non-property rights arising from the management of shares – creating a financial and non-financial value while protecting the interests of minority shareholders. The principal shareholder of the Company shall seek and ensure that the Group of companies operates on an equal footing with other market participants, without creating exclusive business conditions for the Group of companies.

5.3. The role of stakeholders: the corporate governance system shall recognise stakeholder expectations and rights arising from agreements or legal regulation as well as encourage active cooperation in creating sustainable added value.

5.4. Openness and transparency: the corporate governance system must ensure timely disclosure of accurate information about the Group of companies by providing financial, operational, governance, sustainability and other information that stakeholders need to know. The Group of companies shall strive for transparency in all areas of its activities, adhere to the policy of zero tolerance for corruption and uphold the principle of unbundling the activities of the Group of companies from political influence.

5.5. Responsibility and accountability of management and supervisory bodies: the corporate governance system shall ensure that the management and supervisory bodies of the Group of companies properly perform their functions and are accountable to the shareholders.

5.6. Ensuring business continuity: the corporate governance system and the selection process shall aim to ensure that at least 1/3 of the members of the collegial body elected by the General Meeting of Shareholders of the Company continue to serve in the newly elected body for a new term of office.

5.7. Efficient management of the subsidiaries of the Company: the corporate governance system shall ensure the improvement of the governance of the subsidiaries in order to achieve management efficiency and ensure business continuity.

6. The Group of companies shall apply the Principles and model of Corporate Governance in such a way as to limit political influence on its activities.

7. The Ministry of Finance of the Republic of Lithuania, an institution representing the State, sets the objectives and expectations for the Group of companies in a letter on the State's objectives and expectations. Guided by the State's objectives and expectations, the Group of companies implements them independently.

8. The application of the Principles and model of Corporate Governance involves continuous assessment of the external and internal business environment. When assessing the external business environment, various factors affecting the activities of the Group of companies are taken into account: the general economic situation in Lithuania and in the region, the situation in the energy sector and in related economic sectors, development trends, directions and major changes. When assessing the internal environment, resources, infrastructure and other related aspects that are used to achieve the synergy effect of activities are taken into consideration.

9. The application of the Principles of Corporate Governance allows the stakeholders to pursue the maximum benefit by setting expectations and pursuing defined performance objectives.

SECTION 3
GOVERNANCE MODEL

10. The Governance model of the Group of companies is based on an integrated governance and control system which comprehensively covers all key elements of the activities: from the cyclical planning of activities – which involves setting the performance objectives and targets to be achieved and the performance of activities – to the achievement of performance objectives and targets as well as performance measurement.

11. The planning documents (of individual companies or of the entire Group of companies) are prepared to achieve the performance objectives and/or targets. Planning documents are prepared to ensure the alignment of the objective, resources, processes and the result.

12. The necessary resources (infrastructure, production technologies, human resources, financing, information systems, legal regulation, communication and other necessary resources) shall be foreseen for the implementation of performance objectives and/or targets.

13. Performance objectives and/or targets shall be implemented through production, service provision, maintenance and other processes by promoting innovations and implementing advanced solutions which are based on innovations and are necessary for the activities of the Group of companies.

14. Once the set objectives and/or targets are achieved, it shall be ensured that the activities of the Group of companies and their results are aligned with expectations.

15. The structure of the management and supervisory bodies and the governance system of the Group of companies must be formed and operate in such a way as to create the preconditions necessary to ensure proper representation of the State as the principal shareholder and other shareholders, as well as the reconciliation of the interests of other stakeholders and the separation of the management and control functions of the Group of companies, and also in such a way as to comply with the Principles of Corporate Governance, the requirements arising from corporate governance legislation (including the legal acts of the European Union and the Republic of Lithuania regulating the unbundling of activities in the energy sector). Members of the management and supervisory bodies or employees of the electricity and gas transmission system operator cannot be members of the management and supervisory bodies of the Group of companies.

16. The principal shareholder of the Company is the State:

16.1. which owns at least 2/3 of all the shares of the Company, and the rights and obligations of the principal shareholder are exercised by the Ministry of Finance. The management of the shares shall be carried out in accordance with the Law on Companies, which establishes the property and non-property rights and obligations of all shareholders, as well as the Description of the Implementation of Rights;

16.2. which votes at the General Meeting of Shareholders of the Company on decisions related to the exercise of property rights and obligations;

16.3. which, when exercising the voting rights attached to its shares:

16.3.1. shall not take any actions that could prevent the Group of companies from carrying out its business independently;

16.3.2. shall not influence the day-to-day running of the Company's business or have or acquire a material shareholding in one or more main subsidiaries of the Company;

16.3.3. shall not take any action which could be prejudicial to the Company’s status or the Company’s eligibility to be a company whose shares are traded on a regulated market or would prevent the Company from complying with the obligations and requirements established by law that apply to listed companies whose shares are traded on a regulated market;

16.3.4. shall conduct all transactions and ensure relationships with the subsidiaries of the Company under market conditions (on an arm’s length basis) and on a normal commercial basis;

16.3.5. shall not vote in favour of, or propose, any decision to amend the Articles of Association of the Company that would be contrary to the principle of independence of the Company’s business;

16.3.6. shall vote to ensure the governance of the Company complies with the Good Governance Principles as set out in the Governance Code.

17. The Supervisory Board of the Company:

17.1. The Supervisory Board of the Company is a collegial supervisory body established in the Articles of Association of the Company, the activities of which are regulated by the Law on Companies, the Articles of Association of the Company, and the Rules of Procedure of the Supervisory Board of the Company approved by the Supervisory Board. The Supervisory Board of the Company shall be elected by the General Meeting of Shareholders. The activities of the Supervisory Board of the Company shall be organised by its Chair who shall be elected by the Supervisory Board from among its members. The form

of activity is meetings, which shall typically be held at least quarterly (the Supervisory Board may establish a different meeting schedule if necessary).

17.2. The Supervisory Board of the Company consists of 9 members:

17.2.1. 3 civil servants who meet the general and special requirements set out in the Law on the Disposal of Assets. The civil servants shall be selected in accordance with the procedure laid down in the Description of the Selection of Candidates;

17.2.2. 6 independent members – natural persons who meet the general, special and independence requirements set out in the Law on the Disposal of Assets.

17.3. The Supervisory Board of the Company shall be formed in line with the provision that the competencies of the members of the Supervisory Board must be diverse and meet the requirements set out in the Law on Disposal of Assets. A specific need for competencies shall be determined during the selection process for the members of the Supervisory Board of the Company, which shall be carried out in accordance with legal requirements governing the selection of collegial bodies.

17.4. An independent member should be elected Chair of the Supervisory Board of the Company. The meetings of the Supervisory Board of the Company are open to the members of the Management Board of the Company.

17.5. The amount of remuneration to the members of the Supervisory Board of the Company for activities in the Supervisory Board shall be determined by a separate resolution of the General Meeting of Shareholders in accordance with the Remuneration Policy approved by the General Meeting of Shareholders of the Company.

17.6. The rights, duties and functions of the Supervisory Board of the Company are as follows: to approve the strategy of the Group of companies, present information on the implementation of the strategy to the Annual General Meeting of Shareholders, elect and remove the Management Board members, oversee the performance of the Management Board and the CEO, submit comments and proposals on the Company's set of financial statements, profit (loss) allocation and management report to the General Meeting of Shareholders. The Supervisory Board of the Company shall also address other matters falling within its competence. The Supervisory Board of the Company shall operate at the level of the entire Group of companies, i.e. if necessary, it shall address the matters related not only to the activities of the Company but also to the activities of its subsidiaries or their bodies.

17.7. With regard to the principle set out in the Governance Code, which provides that the rights conferred on the collegial body elected by the General Meeting of Shareholders should ensure the effective supervision of management bodies of the Group of companies and the protection of the interests of all shareholders, among other things, in addressing matters related to the determination of the remuneration of executives (including the Company's CEO), the Supervisory Board of the Company, taking into account the opinion of the Nomination and Remuneration Committee, shall assess the guidelines (a framework) for the remuneration of executives of the Group companies, which must focus on creating a long-term and sustainable value of the Group of companies, as well as ensure the possibility of attracting and retaining the necessary competencies and highly qualified professionals, ensuring that responsibilities are proportionate to remuneration and that the remuneration and incentive system is in line with the results achieved. Considering the application of the principle of supremacy of the special

regulation and Article 37^3(2) of the Law on Companies, the Supervisory Board of the Company shall determine the remuneration of the CEO and members of the Management Board of the Company in accordance with the remuneration policy approved by the Company's General Meeting of Shareholders.

17.8. To perform its functions and duties effectively, the Supervisory Board of the Company shall establish committees which shall consider matters falling within their competence, as set out in the regulations of the Committees, and other matters referred to a relevant committee by the Supervisory Board of the Company. The Committees shall, within the limits of their competence, submit their conclusions, opinions and proposals to the Supervisory Board of the Company. The following advisory Committees shall be formed:

17.8.1. the Audit and Risk Committee, the members of which must meet the requirements set out in the Description of Requirements for Audit Committees, as approved by Resolution No 03-14 of the Board of the Bank of Lithuania of 24 January 2017 "On the Approval of the Description of Requirements for Audit Committees";

17.8.2. the Nomination and Remuneration Committee;

17.8.3. the Sustainability Committee;

17.8.4. other committees, which, if necessary, may also be established on an *ad hoc* basis (to address specific matters, develop, oversee or coordinate strategic projects, etc.).

17.9. The activities of the Committees shall be organised and their meetings shall be chaired by the Chair of a relevant Committee. The Chairs of the Committees shall be appointed by the Supervisory Board of the Company. It is recommended that the Committees be chaired by the independent members of the Supervisory Board of the Company. The Committee must consist of at least 3 members, at least half of whom must be independent members of the Supervisory Board of the Company. If legal acts specify a different (larger) number of independent members, the statutory requirements shall apply to the composition of the committees. The Supervisory Board of the Company shall approve the regulations of the Committees. The Committees shall periodically (at least every 6 months) prepare and submit their activity reports to the Supervisory Board of the Company (the content and frequency of the reports shall be outlined in the regulations of each Committee).

18. The Management Board of the Company:

18.1. The Management Board of the Company is a collegial management body provided for in the Articles of Association of the Company, the activities of which are regulated by the Law on Companies, the Articles of Association of the Company, and the Rules of Procedure approved by the Management Board of the Company. The members of the Management Board are the CEO of the Company and other employees of the Company reporting directly to the CEO who are responsible for the defined areas of activity (competence) of the Company and the Group of companies. They are elected by the Supervisory Board of the Company on a proposal of the Nomination and Remuneration Committee. The Management Board of the Company shall be elected for a term of office of up to 4 years. The CEO of the Company is the Chair of the Management Board of the Company. The members of the Management Board of the Company must, within their competence, ensure proper performance of the activities of the Company. The Management Board of the Company consists of 6 members. A member of the Supervisory Board of the Company and a person who is not legally entitled to hold this post under the laws governing

the activities of public limited companies cannot be a member of the Management Board of the Company. The members of the Management Board of the Company must meet the general and special requirements set out in the legislation governing the formation of collegial bodies.

18.2. The competencies of the members of the Management Board of the Company must be diverse and meet the requirements set out in the Law on the Disposal of Assets. The need for competencies shall be determined by the Supervisory Board of the Company during the formation of the Management Board of the Company. The areas under the supervision of the members of the Management Board of the Company may be changed on a proposal of the Chair of the Management Board with the agreement of the Supervisory Board.

18.3. The form of activity of the Management Board of the Company shall be meetings which shall normally be held every week (if necessary, the meetings may be held more frequently (less frequently), decisions may be taken in another form provided for in the Rules of Procedure of the Management Board). The responsibilities of the Management Board shall include management decisions related to the activities of the Company as the parent company: regarding the implementation of the strategy of the Company (its Group of companies), financial management and reporting, performance management, assets, participation in other legal entities, conclusion of transactions, project management, as well as other matters that fall within its competence. The competence of the Management Board of the Company also includes decisions on common rules and principles (policies, guidelines, recommendations) applicable to the Group of companies, decisions related to the common interest of the Group of companies, and achievement of its objectives.

19. Management and supervisory bodies of the subsidiaries of the Company:

19.1. The structure of the management and supervisory bodies of the subsidiaries of the Company shall be formed taking into account the activities of a particular company, share managers, legal status, requirements set out in the legislation of the country where a company is established, shareholders' agreements and other aspects. The rule is that the management and supervisory bodies of the subsidiaries must be optimal, they must ensure the implementation of the interests of the Company as a shareholder as well as the interests of other shareholders and stakeholders and must comply with the international and national best practices on corporate governance.

19.2. As a general rule, the subsidiaries of the Company are subject to the following structure of management and supervisory bodies (under reasonable circumstances (where there is a reasonable need to have a different structure of bodies than the one described in this paragraph) or subject to legal requirements, another rational structure of the management and supervisory bodies may be applied):

19.2.1. with a collegial management body – the Board performing the supervisory functions set out in Article 34(11) of the Law on Companies, which shall include (an) independent member(s) and shareholder representatives, as well as, if necessary, (a) member(s) appointed by employee representatives. This structure of management and supervisory bodies applies to the subsidiaries of the Company which are classified as large companies under the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania or are classified as companies being important for national security under the Law on the Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania. The Articles of Association of these companies may also provide that, in

order to ensure the effective management of the company, the Executive Committee may be formed, which, together with the CEO, shall decide on the company's most important operational matters;

19.2.2. with a collegial management body – the Board performing the supervisory functions set out in Article 34(11) of the Law on Companies, which includes an independent member and shareholder representatives. The collegial supervisory body shall not be formed;

19.2.3. with a single-person management body – the CEO of the company, by assigning him/her the functions of the collegial management body – the Board and expanding the competence of the General Meeting of Shareholders. The collegial supervisory or management bodies shall not be formed. This structure of management and supervisory bodies applies when there is no need to apply another model to companies.

SECTION 5
MODEL OF MANAGEMENT AND CONTROL SYSTEM

20. The activities of the Group of companies as well as their management are perceived as a set of interrelated processes. The fundamental purpose of organising and managing activities is to achieve the synergy effect of the activities of the Group of companies by reconciling different activities of the Group of companies and directing them in the most efficient way towards achieving the common objectives of the entire Group. A Group-wide integrated management and control system is a key precondition for achieving a corporate governance objective.

21. The aim of the activities of the Group of companies is the result and the distribution of responsibilities to achieve the result, which means that the performance objectives of the Group of companies are set at every level, from the parent company to every employee of subsidiaries. Accordingly, the principle of responsibility for performance is followed, i.e. the companies and employees are responsible for the results of ongoing processes/activities assigned to them.

22. To ensure the provision of quality services and/or consultations and to efficiently allocate resources, among other things, after assessing the needs of business segments, and to ensure that the functional activities of the Group of companies are aligned with the operational strategy of the Group of companies and individual companies, to ensure that experience, best practices and resources are shared, and specialists' competencies necessary for the coordination of the activities of specific functional areas are developed, and to coordinate the activities of the functions of the Group of companies, a functional (matrix) mechanism may be applied – where it is possible to standardise the processes of the Group of companies – which shall ensure that resources and knowledge in relevant areas of activity of functions across different activities are shared to achieve synergies and foster collaboration among the employees of the Group of companies.

SECTION 6
ACCOUNTABILITY

23. Providing information is one of the key preconditions for effective corporate governance of the Group of companies and transparency. When preparing and disclosing reports, the Group of companies must ensure compliance with legal acts and the requirements of the stock exchanges where it is listed and their regulators.

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