

**AB “LTG Cargo”
ARTICLES OF ASSOCIATION**

**CHAPTER I
GENERAL PROVISIONS**

1. AB “LTG Cargo” (hereinafter referred to as the “Company”) is a private legal entity with limited civil liability established under the laws of the Republic of Lithuania, the authorised capital of which is divided into shares.
2. The legal form of the Company is a public limited liability company.
3. The financial year of a Company is the calendar year.
4. The period of the Company's operation is unlimited.
5. The Company, together with its parent public limited liability company “Lietuvos geležinkeliai” (hereinafter referred to as the “Parent Company”) and the legal entities directly and indirectly controlled by the Parent Company, forms a group of companies. The Parent Company is not liable for the obligations of the Company and the Company is not liable for the obligations of the Parent Company. The assets of the Company are segregated from the assets of the Parent Company, and the Company is liable for its own assets in respect of the obligations assumed. The activities of the Company are not necessary for the Parent Company and/or any legal entity directly or indirectly controlled by it to carry out its activities in the public interest.
6. The Company's activities are guided by the requirements of legislation, these Articles of Association, the Company's internal documents, decisions of the Parent Company, and other documents setting out the guidelines (rules) for the group's activities.

**CHAPTER II
OBJECTIVES AND SCOPE OF THE COMPANY'S ACTIVITIES**

7. The Company's objectives are:
 - 7.1. seeking growth in the efficiency and competitiveness of the Company's activities by increasing the attractiveness of rail transport and related services for customers;
 - 7.2. ensuring effective performance of the Company in the areas of freight transportation, rolling stock operation, maintenance and provision of related services;
 - 7.3. seeking socially responsible and sustainable growth of the Company's business value and ensuring long-term benefits for the shareholder.
8. The interests of the Company, in addition to the above mentioned objects, include the interests of the Parent Company and the group of companies it controls.
9. The Company's object of activities is freight transportation by rail and provision of related services.
10. The Company may carry out other activities which do not conflict with the objects of the Company.

**CHAPTER III
CAPITAL OF THE COMPANY**

11. The authorised capital of the Company is EUR 44 086 741,36 (forty four million eightysix thousand seven hundred forty-one euros and thirty-six cents).
12. The authorised capital of the Company is divided into 209 299 (two hundred nine thousand two hundred ninety nine) ordinary registered shares. Each share has a nominal value of EUR 210,64 (two hundred ten euros and sixty four cents).
13. All the Company's shares are of one class – ordinary registered shares.
14. The shares of the Company are uncertificated shares. They are recorded as entries in personal securities accounts. The personal securities accounts of the Company's shareholders are managed in accordance with the procedures set out in the legislation governing the securities

market.

15. All ordinary registered shares issued by the Company grant the shareholder the rights and obligations set out in the legislation and the Company's Articles of Association.

CHAPTER IV BODIES OF THE COMPANY

16. The bodies of the Company are:
 - 16.1. General Meeting of Shareholders;
 - 16.2. Board;
 - 16.3. Chief Executive Officer.

CHAPTER V COMPETENCE OF AND PROCEDURE FOR CONVENING THE GENERAL MEETING OF SHAREHOLDERS

17. The General Meeting of Shareholders is the supreme body of the Company.
18. The General Meeting of Shareholders is convened and adopts decisions in accordance with the procedure set out in the Law on Companies of the Republic of Lithuania (hereinafter referred to as the "Law on Companies") and other laws.
19. The competence of the General Meeting of Shareholders corresponds to the competence set out in the Law on Companies, except for the additional competence set out in paragraph 29 of these Articles of Association.

CHAPTER VI BOARD AND ITS COMPETENCE

20. The Board is a collegial governing body of the Company, consisting of 5 (five) members.
21. The Board is accountable to the Company's General Meeting of Shareholders.
22. The General Meeting of Shareholders elects the members of the Board for a term of 4 (four) years. The Board shall be composed of at least 1/3 of independent members. The General Meeting of Shareholders may remove the entire Board or individual members of the Board before the end of their term of office. If individual Board members are elected, they are elected only for the remainder of the term of office of the existing Board.
23. The Board elects the Chairperson of the Board from among its members.
24. Only a natural person may be elected as a member of the Board. The same person may not be elected as a member of the Board for more than 2 (two) consecutive terms.
25. Before taking up their duties, members of the Board must provide declarations of interest and impartiality in the prescribed form and shall also enter into confidentiality agreements and agreements regarding their activities on the Board.
26. Upon prior notification to the Board of the Company and with the approval of the Company's shareholder, members of the Board may participate in political parties, work in other employment or hold other positions that are compatible with their activities on the Board, including, but not limited to, holding executive positions in other legal entities, employment in the state or statutory service, and positions in the Company and other legal entities. The approval of the General Meeting of Shareholders is not required for members of the Board engaged in teaching, creative and authorial activities, or participation in professional associations or public organisations.

27. The competence of the Board is in accordance with the competences laid down in the Law on Companies and other laws, except for the additional competences laid down in paragraphs 28 and 30 of these Articles of Association.
28. The Board has this additional competence:
 - 28.1. approve the Company's business strategy;
 - 28.2. set the Company's objectives;
 - 28.3. approve the Company's annual operating plan (budget);
 - 28.4. approve the list of information considered to be the Company's commercial (industrial) secret and confidential information, the conditions for the use and storage of such information;
 - 28.5. analyse and assess the Company's material risks (prioritised by the Board when assessing these risks) and approve the risks management strategies;
 - 28.6. adopt decisions on the investment, sale and purchase or any other transfer, pledge or mortgage of the Company's facilities and assets of importance for national security;
 - 28.7. adopt decisions on the investment, disposal or lease of the Company's fixed assets with a book value equal to or exceeds EUR 1 000 000 (one million euro) (exclusive of value added tax) to the Company's group companies or third parties;
 - 28.8. adopt decisions on pledges and mortgages of the Company's fixed assets with a book value equal to or exceeds EUR 1 000 000 (one million euro) (excluding value added tax);
 - 28.9. adopt decisions on providing suretyship or guarantees for the obligations of other persons, of the amount equal to or exceeds EUR 1 000 000 (one million euro) (excluding value added tax);
 - 28.10. adopt decisions to acquire fixed assets for a price equal to or exceeds EUR 1 000 000 (one million euro) (excluding value added tax);
 - 28.11. adopt decisions on loan or other financing transactions with a value equal to or exceeds EUR 1 000 000 (one million euro);
 - 28.12. adopt decisions to enter into transactions for the procurement of goods, services and works with a value equal to or exceeds EUR 1 000 000 (one million euro) (excluding value added tax), and approve the essential terms of such transactions (before the Company initiates the procurement procedures);
 - 28.13. adopt decisions on the approval of the essential terms of agreements for the provision of services by the Company regarding freight transportation tariffs or applicable discounts, if the estimated annual revenue of the agreement, or the revenue expected to be generated over the entire duration of the agreement, is equal to or exceeds EUR 10 000 000 (ten million euro) (excluding value-added tax) or if the duration of the agreement exceeds 3 (three) year (except for agreements of indefinite duration);
 - 28.14. adopt decisions on the Company becoming a founder or participant of other legal entities;
 - 28.15. adopt decisions for the Company to commence new activities or to discontinue the Company's existing activities, if the relevant decision was not taken at the time of approval of the Company's business strategy;
 - 28.16. adopt decisions to establish branches and representative offices of the Company, to terminate their activities, to appoint and dismiss the heads of the Company's branches and representative offices, and to approve the regulations of branches and representative offices;
 - 28.17. adopt decisions on the approval by the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as specified in the Articles of Association of the subsidiaries, regarding the investment, transfer, lease, acquisition, pledge, mortgage of fixed asset, and provision of guarantees and sureties for the obligations of other persons, the conclusion of goods, services and works procurement transactions,

- loans or other financing transactions, where the value of the transaction is equal to or exceeds EUR 1 000 000 (one million euro) (excluding value added tax);
- 28.18. adopt decisions on the approval by the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries on the merger, acquisition, division, subdivision, assignment or transfer of activities by any other legal means, becoming a founder or participant of other legal entities (except for decisions on becoming a founder or participant of associations);
 - 28.19. approve the procedure for calculating base freight transportation tariffs and granting discounts and to adopt decisions on the indexation of base freight transportation tariffs;
 - 28.20. approve base freight transportation tariffs and the Price list for additional services;
 - 28.21. approve the terms and conditions of employment contract and position description of the Company's Chief Executive Officer, to grant incentives and impose disciplinary measures on the Company's Chief Executive Officer;
 - 28.22. approve the total amount of the incentive to be granted to the Company's employees for their performance results, taking into account the performance of the Company;
 - 28.23. analyse and evaluate other information provided by the Company's Chief Executive Officer on key issues relating to the Company's business;
 - 28.24. analyse other matters relating to the Company's business, which fall within the Board's competence and, if necessary, adopt decisions on such matters.
29. Decisions adopted by the Board as provided for in paragraphs 28.5 to 28.6; 28.13 to 28.16 of these Articles of Association, as well as decisions as provided for in paragraphs 28.7 to 28.12 and 28.17 of the Articles of Association, the value of which is equal to or exceeds EUR 3 000 000 (three million euro), shall be subject to the approval of the General Meeting of Shareholders. These decisions of the Board shall become effective upon approval of the General Meeting of Shareholders. The approval of the General Meeting of Shareholders does not exclude the liability of the Board for the decisions adopted.
30. The Board performs the following supervisory functions:
- 30.1. supervises the performance of the Company's Chief Executive Officer, and provides feedback and proposals on the performance of the Company's Chief Executive Officer to the General Meeting of Shareholders;
 - 30.2. considers whether the Company's Chief Executive Officer is fit for office if the Company is making a loss;
 - 30.3. proposes to the Company's Chief Executive Officer to revoke his/her decisions that are contrary to laws and regulations, these Articles of Association, decisions of the General Meeting of Shareholders or of the Board;
 - 30.4. decides on other matters of supervision of the activities of the Company and the Company's Chief Executive Officer that are within the competence of the Board under the Articles of Association, as well as under the decisions of the General Meeting of Shareholders.

CHAPTER VII ORGANISATION OF THE WORK OF THE BOARD

31. Decisions of the Board shall be adopted at meetings of the Board.
32. The procedures for organising, convening, preparing for and voting at meetings of the Board shall be established in the Rules of Procedure approved by the Board.
33. Board meetings shall be convened in accordance with a schedule established by the Board, but at least once a month.
34. The Board may adopt decisions and a meeting shall be deemed to have taken place when 2/3 or more of its members are present.

35. Members of the Board who are unable to attend the Board meeting in person shall vote in advance in writing or by electronic means, provided that the Company ensures the security of the information transmitted and that the identity of the person casting the vote can be established. Members of the Board who have voted in advance in writing or by electronic means of communication shall be considered to have participated in the meeting of the Board.
36. Each member of the Board shall have one vote. A decision of the Board shall be adopted when half or more of the total number of Board members present at the meeting vote in favour of it. In the event of a tie vote, the Chairperson of the Board shall have the casting vote.
37. A member of the Board shall not have the right to refuse to vote or to abstain from voting, except as provided by law and these Articles of Association. If, in the course of the Board's deliberations, a question of liability relating to the Board member's activities on the Board is raised or a conflict of interest arises between the Board member or their close family member, or persons related by blood, marriage or partnership, and the Company, such Board member shall immediately inform the Board and shall abstain from voting on the relevant matters which give rise to a conflict of interest between the Board member or their close family member, or persons related by blood, marriage or partnership, and the Company.
38. The Board shall carry out an evaluation of its performance at least once a year. The Board shall report the results of its performance evaluation to the Company's shareholder.
39. The Company shall ensure appropriate conditions for the work of the Board and for the activities of the members of the Board on the Board and in accordance with the terms of the agreements signed by the members of the Board the Company shall provide the members of the Board with the necessary organisational and technical facilities for their work on the Board.

CHAPTER VIII CHIEF EXECUTIVE OFFICER AND THEIR COMPETENCES

40. The Chief Executive Officer of the Company is the Company's sole management body responsible for the day-to-day organisation of the Company's business.
41. The Chief Executive Officer is accountable to the Company's Board.
42. The Chief Executive Officer of the Company is elected by the Board of the Company for a term of 5 (five) years. The same person may not be elected as a Chief Executive Officer of the Company for more than 2 (two) consecutive terms.
43. The Chief Executive Officer of the Company may take up any other position or employment, including a position within the Company, only with the prior written consent of the Board, except for participation in the governing bodies of the Company's group of companies, teaching, creative and authorial activities, participation in professional associations, participation in social organisations which are related exclusively to the satisfaction of personal and/or family needs, which do not require the consent of the Board, but of which the Board must be informed in advance.
44. Before taking office, the Chief Executive Officer of the Company shall provide a declaration of interests and an undertaking not to disclose the Company's commercial (industrial) secrets and confidential information.
45. The competence of the Chief Executive Officer is in line with the competences established in the Law on Companies and other laws.

CHAPTER IX PROCEDURE FOR PUBLISHING NOTIFICATIONS OF THE COMPANY

46. The Company's notifications, which, according to the laws of the Republic of Lithuania, must be made public, are published in the electronic publication issued by the State Enterprise Centre of Registers.

47. Unless otherwise provided by the laws of the Republic of Lithuania and/or these Articles of Association, other notifications of the Company to the Company's shareholders and other persons may be delivered by hand, sent by post or transmitted by electronic means of communication.

CHAPTER X FINAL PROVISIONS

48. A shareholder shall have the right to access the Company's documents and other information in accordance with the procedure established by the Law on Companies and other laws.
49. The procedure for amending the Company's Articles of Association is no different from the procedure for amending the articles of association set out in the Law on Companies.
50. The Articles of Association of the Company shall enter into force on the date of their registration in the Register of Legal Entities.

The Articles of Association of LTG Infra AB were signed on January 17, 2023.

Person authorised by decision of the AB "LTG Cargo" sole shareholder