

## **Complemented Agenda and Draft Resolutions of the Extraordinary Meeting of Shareholders of the Joint Stock Company "Latvijas Gāze"**

The management board of the Joint Stock Company "Latvijas Gāze" hereby announces that, upon a request by the shareholder Marguerite Gas I S.á.r.l., an extra item "On the amendments to the Articles of Association of the Joint Stock Company "Latvijas Gāze"" has been included in the agenda of the extraordinary meeting of shareholders of the Joint Stock Company „Latvijas Gāze”, to be held at 10 a.m. on 31 March 2017 at the premises of the JSC „Latvijas Gāze” in Riga, 20 Vagonu street. Thereby the agenda of the meeting of shareholders is as follows:

1. On reorganisation.
2. Election of the Audit Committee and determination of remuneration for the Audit Committee.
3. On the amendments to the Articles of Association of the Joint Stock Company "Latvijas Gāze"\*.

*\* 1) The shareholder Marguerite Gas I S.a.r.l. proposal was to include this item on the agenda as the first one. Considering the sequence of the agenda items initially approved by the management board and communicated publicly, the issue on changing the sequence of the agenda items should be discussed during the meeting of shareholders. 2) According to the provisions of Section 284, Paragraph four of the Commercial Law, a decision of a meeting of shareholders in respect of the company and shareholders shall come into effect from the time of being taken if a different time period for the coming into effect of such decision is not specified in this decision.*

Appended:

- 1) Draft resolutions produced by the management board of the Joint Stock Company "Latvijas Gāze" on the agenda item No. 1 "On reorganisation" and the agenda item No. 2 " Election of the Audit Committee and determination of remuneration for the Audit Committee" (including the proposal by the shareholder SIA "ITERA Latvija" about the nominees to the Audit Committee);
- 2) Draft resolution by the shareholder Marguerite Gas I S.á.r.l. on the agenda item No. 3 "On approval of the amendments to the Articles of Association of the Joint Stock Company "Latvijas Gāze"".

**Management Board of the Joint Stock Company "Latvijas Gāze"**

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**DRAFT RESOLUTIONS**  
**of the Extraordinary Meeting of Shareholders**  
**of the Joint Stock Company "Latvijas Gāze"**  
**to be held on March 31, 2017**

**1. On reorganisation.**

Whereas:

- The amendments to the Energy industry law of 11 February 2016 prescribe a separation of the distribution system operator from the Joint Stock Company "Latvijas Gāze" (hereinafter – Latvijas Gāze) via establishing a separate capital company and ensuring its independent management in accordance with the provisions of Section 45, Paragraphs two and three of the Energy industry law, to take effect starting 1 January 2018 (Clause 31 of the Transitional Provisions);
- The said provisions in the Energy industry law result from the transposition of the provisions of Articles 26 and 27 of the Directive No.2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;
- The Advisory Council of Latvijas Gāze on its meeting of 16 February 2017 decided to support in concept the establishing of the distribution system operator as a daughter company via a reorganisation of Latvijas Gāze,

**the meeting of shareholders decided:**

- 1) To support the establishing of the distribution system operator as a new daughter company of Latvijas Gāze via a reorganisation of Latvijas Gāze (Section 336, Paragraphs four and five of the Commercial Law).
- 2) To elect sworn auditor SIA "Grant Thornton Baltic" (licence No. 155) for the examination of the divestiture decision of Latvijas Gāze and the actions related thereto (including drafting an opinion on the sufficiency of the divested assets for the foundation of the new company – Section 377 of the Commercial Law). To determine remuneration for the sworn auditor up to EUR 20 thsd., VAT not included.
- 3) To assign the Management Board of Latvijas Gāze to carry out the necessary actions and draw up the draft documents in order to take the decision of dividing Latvijas Gāze.

## **2. Election of the Audit Committee and determination of remuneration for the Audit Committee**

Whereas:

- the Financial Instruments Market Law sets forth the requirements for the independence of the Audit Committee:
  1. to elect at least three members; and
  2. to elect at least one member of the Council; and
  3. to ensure that majority of the Committee members are independent (are not the Council members, are not employees of Latvijas Gāze or its auditors etc.);
- the Regulation of the Audit Committee of Latvijas Gāze prescribes three Committee members,

### **the meeting of shareholders decided:**

- 1) Taking into consideration the proposals of the shareholders, to elect Latvijas Gāze Audit Committee in the composition of three members for a three-year period:
  1. independent representative – sworn auditor Benita Kudore;
  2. independent representative – sworn auditor Anita Kaņepa;
  3. member of the Council Juris Savickis.
- 2) To determine the remuneration for each Audit Committee member EUR 3,600 per year after tax.

Riga, 28 February 2017

**Management Board of the Joint Stock Company “Latvijas Gāze”**

**DRAFT RESOLUTION**  
**of the Extraordinary Meeting of Shareholders**  
**of the Joint Stock Company “Latvijas Gāze”**  
**to be held on March 31, 2017**

**3. On approval of the amendments to the Articles of Association of JSC “Latvijas Gāze”.**

1) Section 7.21. shall be read:

“The Council shall decide issues with the majority of the votes of the Council members present. When resolving on issues stipulated in Clause 7.26.(2) of the Articles, unanimous vote of all Council members is required.”

2) Section 7.26. (2) shall read:

“Foundation of the subsidiaries of the Company, alienation or encumbrance of any number of shares of subsidiaries owned by the Company or more than 10% of assets of subsidiaries of the Company;”

Riga, 16 March 2017

**Management Board of the Joint Stock Company “Latvijas Gāze”, considering the proposals by the shareholder Marguerite Gas I S.a.r.l. dated 8 March 2017**