

## **AGREEMENT ON THE ACTIVITIES OF AN INDEPENDENT MEMBER OF THE SUPERVISORY COUNCIL OF AB KLAIPĖDOS NAFTA**

This agreement on the activities of an independent member of the supervisory council of AB Klaipėdos nafta (hereinafter – the '**Agreement**'), concluded on **date** by and between:

**AB Klaipėdos nafta**, a public company organised and operating under the Lithuanian law, business legal entity code 110648893, registered office address Burių g. 19, Klaipėda, Republic of Lithuania (hereinafter referred to as the '**Company**'), represented by **title name surname** acting in accordance with **grounds of authorisation**, on the one part,

and

**First name surname**, personal code \_\_\_\_\_, place of residence \_\_\_\_\_ (hereinafter referred to as the '**Independent Supervisory Council Member**'), on the other part,

The Company and the Independent Supervisory Council Member hereinafter collectively referred to as the '**Parties**' and each individually as the '**Party**',

### **WHEREAS:**

- (A) The Independent Supervisory Council Member was elected to the Supervisory Council of the Company by **date** decision of the General Meeting of the Shareholders;
- (B) A model form of this Agreement and the specific remuneration for the Independent Supervisory Council Member were approved by the General Meeting of the Shareholders of the Company at its meeting held on **date** (minutes No **number**);
- (C) By this Agreement, the Company and the Independent Supervisory Council Member seek to establish the principles of activities, rights and obligations of the Independent Supervisory Council Member, liability of the Independent Supervisory Council Member for his activities, and remuneration to the Independent Supervisory Council Member;
- (D) The Independent Supervisory Council Member confirms his independence,

### **THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

#### **1. Functions of the Independent Supervisory Council Member**

1.1. The Independent Supervisory Council Member shall perform the functions of a Member of the Supervisory Council of the Company according to the applicable law, Articles of Association of the Company, decisions of the General Meeting of the Shareholders of the Company, regulations of the Supervisory Council of the Company, and other internal documents of the Company.

1.2. The Independent Supervisory Council Member shall act properly, effectively and efficiently, in accordance with the highest professional standards. The Independent Supervisory Council Member shall ensure an uninterrupted performance of the functions a Member of the

Supervisory Council of the Company according to the applicable law, other legal acts and the Articles of Association of the Company.

1.3. The Independent Supervisory Council Member shall perform his duties personally and shall not assign the functions of the Independent Supervisory Council Member to third parties either in full or in part.

1.4. The Independent Supervisory Council Member shall be obliged to:

1.4.1. Act fairly and reasonably with respect to the Company, other management bodies of the Company and shareholders of the Company;

1.4.2. Be loyal to the Company;

1.4.3. Act in the interests of the Company and all its shareholders;

1.4.4. Keep trade/industrial secrets of the Company and maintain confidentiality of the Company's confidential information;

1.4.5. Avoid conflicts of interests between the Company and the Independent Supervisory Council Member (including third parties for the benefit of which the Independent Supervisory Council Member is acting);

1.4.6. Not use any information that the Independent Supervisory Council Member has gained through the performance of his functions as the Supervisory Council Member for his own benefit or for the benefit of third parties;

1.4.7. Perform other duties under the applicable law, the Articles of Association of the Company, and regulations of the Supervisory Council of the Company.

## **2. Attending Meetings of the Supervisory Council**

2.1. The Independent Supervisory Council Member shall attend all meetings of the Supervisory Council of the Company. Should the Independent Supervisory Council Member be unable to attend any meeting of the Supervisory Council, the Independent Supervisory Council Member shall vote in advance in writing or by means of telecommunications equipment according to the procedure laid down in the regulations of the Supervisory Council.

2.2. The Independent Supervisory Council Member shall familiarise himself, prior to every meeting of the Supervisory Council, with the agenda of the meeting and all the information and documents related to items on the agenda presented to the Independent Supervisory Council Member. The Independent Supervisory Council Member shall take an active part in the consideration of the items on the agenda, present his position on all the issues either in writing or orally, and make reasoned proposals for the resolution of the issues being considered.

2.3. The Independent Supervisory Council Member shall vote either 'for' or 'against' every matter being considered by the meeting of the Supervisory Council. The Independent Supervisory Council Member shall not have the right to refuse to vote, abstain or authorise other persons to vote for him, except for cases prescribed by the law when the Independent Supervisory Council Member must refuse to vote (withdraw from voting).

2.4. Should the Independent Supervisory Council Member be assigned, by decision of the Supervisory Council, to fulfil certain concrete tasks, the Independent Supervisory Council Member shall keep the other Members of the Supervisory Council informed about progress in the fulfilment of the task and shall prepare, according to the procedure established by the Supervisory Council, reports on his activities and present the reports to the Supervisory Council for consideration.

2.5. The Company shall ensure that the Independent Supervisory Council Member is provided, for the performance of his duties, with the premises, facilities and other resources of the Company that are necessary for ensuring proper activities of the Independent Supervisory Council Member.

### **3. No Conflicts of Interest**

By signing this Agreement, the Independent Supervisory Council Member hereby confirms his independence. Should any circumstances under which the Independent Supervisory Council Member ceases to meet the criteria for independence arise, the Independent Supervisory Council Member shall notify this to the Company immediately in writing.

### **4. No Employment Relations**

The Parties hereby represent that this Agreement creates a civil legal relationship between the Independent Supervisory Council Member and the Company. The Agreement shall not be interpreted as an agreement creating an employment relationship between the Independent Supervisory Council Member and the Company. Therefore, the Independent Supervisory Council Member shall not be deemed to be an employee of the Company and shall not be subordinate or accountable to the administration of the Company. The Independent Supervisory Council Member shall act solely as the Supervisory Council Member under this Agreement and shall assume full responsibility for the performance of its functions and the carrying out of this Agreement.

### **5. Intellectual Property**

The Parties agree that any property rights and, to the fullest extent not prohibited by applicable law, non-property rights to any items of intellectual or industrial property developed by the Independent Supervisory Council Member during the term of this Agreement including objects of copyright, trademarks, service marks, products, industrial design and other items created during the performance of his duties as the Independent Supervisory Council Member, shall fully, automatically, indefinitely and irrevocably become exclusive property of the Company without any additional remuneration to the Independent Supervisory Council Member. For the avoidance of doubt, the Parties explicitly agree that remuneration to the Independent Supervisory Council

Member for the development of such items has been included in the remuneration payable to the Independent Supervisory Council Member under this Agreement and the Company may dispose of such items at its own discretion without making any additional payments to the Independent Supervisory Council Member.

## **6. Remuneration**

6.1. The Company shall pay for the activities of the Independent Supervisory Council Member a remuneration of **amount in words** EUR (**amount in numbers**) excluding VAT per month. Should the Independent Supervisory Council Member be elected as a Chairman of the Supervisory Council, during the term of his office as a Chairman instead of hereinabove stipulated remuneration the Company shall pay to the Independent Supervisory Council Member a remuneration of **amount in words** EUR (**amount in numbers**) excluding VAT per month

6.2. Should it be necessary for the Independent Supervisory Council Member to incur reasonable travel costs in the performance of his functions as the Independent Supervisory Council Member (including but not limited to travel, accommodation at a place other than the Company's place of business, transport, subsistence during travel), the Company shall pay such costs directly or compensate the Independent Supervisory Council Member for such reasonable costs provided that the Company was informed about them in advance.

6.3. The remuneration for the previous calendar month in which the Independent Supervisory Council Member performed his functions as the Supervisory Council Member shall be paid within 15 (fifteen) calendar days as of the end of said month.

6.4. All payments under the Agreement shall be made by a bank transfer to an account of the Independent Supervisory Council Member specified in Clause 9.1 below.

6.5. The remuneration payable to the Independent Supervisory Council Member shall include all applicable taxes and contributions excluding VAT. All the taxes and contributions payable by the Independent Supervisory Council Member (including those that may become payable in the future) from the remuneration shall be calculated and paid by the Company by transferring them, on behalf of the Independent Supervisory Council Member or on its own behalf, to the relevant authorities except for cases where current legislation provides for other procedures.

6.6. Where, under the current legislation, the Independent Supervisory Council Member is liable to register an individual activity for the provision of the services under this Agreement, the Company shall pay remuneration to the Independent Supervisory Council Member subject to receipt of a copy of a certificate of such registered individual activity or another document permitting, under the law, the activities under the Agreement. In such a case the Independent Supervisory Council Member shall pay all taxes and contributions himself unless the current law prescribes otherwise.

6.7. Upon expiry or termination of this Agreement on any grounds, the Independent Supervisory Council Member shall receive remuneration for the time actually spent for the performance of the activities of the Independent Supervisory Council Member until the date when the Agreement ceased to be valid. The Company shall settle up with the Independent Supervisory

Council Member in full, on the terms and conditions set out in this Article, within 1 (one) month from the date when the Agreement ceased to be valid.

## **7. Liability and Indemnification**

7.1. The Company shall indemnify the Independent Supervisory Council Member and hold him harmless against any loss or damages (including reasonable legal assistance costs) that the Independent Supervisory Council Member may incur for any reason related to the activities of the Independent Supervisory Council Member in the Supervisory Council of the Company except for cases where the loss or damages were caused by a wilful act or gross negligence of the Independent Supervisory Council Member. In case of payment of any amounts under this clause to the Independent Supervisory Council member or any third parties, the Company shall not have the right of recourse action and is not entitled to demand from the Independent Supervisory Council Member any costs incurred by the Company in relation to indemnification of the Independent Supervisory Council Member and holding him harmless against any loss or damages, except for cases where the loss or damages were caused by a wilful act or gross negligence of the Independent Supervisory Council Member.

7.2. The Independent Supervisory Council Member shall indemnify the Company and hold it harmless against any loss or damages (including reasonable legal assistance costs) that the Company may incur due to breach of the Agreement by the Independent Supervisory Council Member and/or third party claims (including claims by the shareholders of the Company) in relation to the activities of the Independent Supervisory Council Member in the Supervisory Council of the Company or results of such activities in cases where the loss or damages were caused by a wilful act or gross negligence of the Independent Supervisory Council Member.

## **8. Right to Information and Confidentiality**

8.1. The Independent Supervisory Council Member shall be entitled to gain access to any documents and information of the Company and its subsidiaries, controlled both directly and/or indirectly (except for such documents and information that is directly and/or indirectly related to the data, documents and/or information of counterparties of the Company and its directly and/or indirectly controlled subsidiaries and which has been obtained, learnt or otherwise acquired according to a procedure prescribed by law for the counterparties of the Company and its directly and/or indirectly controlled subsidiaries), and such information shall be systematised, at the request of the Independent Supervisory Council Member, according to reasonable criteria specified by the Independent Supervisory Council Member. In cases where the documents or information on the Company's directly and/or indirectly controlled subsidiaries is not available to the Company, the Company shall immediately take steps to obtain such documents and information including through exercise of the rights attached to the shares held by the Company in its subsidiaries.

8.2. The Independent Supervisory Council Member shall maintain, during the term of the Agreement and indefinitely upon expiry/termination thereof, confidentiality of the Company's confidential information and shall not disclose it to any third party unless the Company gives its prior written consent. The list of confidential information shall be approved by the Supervisory Council of the Company.

8.3. The Independent Supervisory Council Member shall sign a confidentiality undertaking stating that the Independent Supervisory Council Member shall not disclose trade secrets and confidential information of the Company.

## **9. Notices and Other Information**

**9.1 Any notices, reports, requests or other documents under the Agreement (the 'Notices') shall be sent to the following addresses:**

**To the Company:**

AB „Klaipėdos nafta“

Baltijos pr. 40, 93239, Klaipėda, Lithuania

Email: [info@kn.lt](mailto:info@kn.lt)

**To the Independent Supervisory Council Member:**

Account No \_\_\_\_\_

Bank \_\_\_\_\_

9.2. The Notice under the Agreement shall be deemed to be duly served if it has been delivered to the above addresses against signature (the receipt by the Company shall be confirmed by a signature of an employee, a member of a management body or another person authorised by the Company) or, if sent via electronic email – a reply has been received by the same method, or sent by registered letter or by courier. The Party shall notify any change in its address, bank details or other data specified in the Agreement to the other Party no later than 5 (five) days after the change. Should the Party fail to notify the change, it shall be deemed that the Notice sent to the last known address has been served properly.

## **10. Final Provisions**

10.1. The Agreement shall take effect on the moment of its signature and shall remain in effect until:

10.1.1. the end of the term of office of the Independent Supervisory Council Member in the Supervisory Council of the Company; or

10.1.2. the Independent Supervisory Council Member is recalled from the Supervisory Council, or the entire Supervisory Council of the Company is recalled; or

10.1.3. the Independent Supervisory Council Member resigns or is unable to continue working in this position; or

10.1.4. the Independent Supervisory Council Member stops working as the Supervisory Council Member on other grounds,

whichever is earlier.

- 10.2. Provisions on intellectual property, confidentiality, indemnification, settlement, applicable law and resolution of disputes of this Agreement shall survive termination thereof.
- 10.3. The Independent Supervisory Council Member shall transfer to the Company, no later than on the date of expiry/termination of the Agreement, (a) any documents obtained or created by him during his activities (including but not limited to any correspondence, notices, agreements or other documents, computer disks, memory keys and cards, software, other optically or electronically readable data carriers) and (b) any passwords, keys, seals, credit cards, other assets owned by the Company or controlled by it on other grounds, and other items. At the Company's written request, the Independent Supervisory Council Member shall provide a written confirmation of the proper fulfilment of the above obligations.
- 10.4. Any amendments or additions to this Agreement shall be made in writing and duly signed by both Parties.
- 10.5. This Agreement, the interpretation and application of its provisions, as well as matters related to its breach, validity or invalidity shall be governed by the Lithuanian law.
- 10.6. Any disputes, disagreements or claims arising from or related to this Agreement or to its breach, termination or validity shall be settled by negotiations. Should the Parties fail to reach an agreement within 30 (thirty) calendar days, the dispute shall be referred for final settlement to the Vilnius Commercial Arbitration according to its regulations. The venue of the arbitration shall be Vilnius. The dispute shall be settled by three arbitrators. The language of the arbitration shall be Lithuanian language.
- 10.7. Should any provision of this Agreement be or become invalid in full or in part due to a contradiction to the applicable law or for any other reason, the remaining provisions of the Agreement shall remain fully valid. In such a case the Parties shall negotiate in good faith seeking to replace such provision with a valid provision which would allow to achieve, to the largest extent possible, the same legal and economic result as the provision being replaced.
- 10.8. The Parties shall not be entitled to assign their respective rights and obligations under the Agreement.
- 10.9. The Agreement has been made in duplicate in the Lithuanian language, a copy for each Party.

In witness whereof the Parties have signed the Agreement on the date first above written:

**For the Company:**

**The Independent Supervisory Council Member:**

---

---