

PUBLIC COMPANY ORLEN LIETUVA

APPROVED BY:
15 December 2022
Order No TV1(1.2-1)- 2022-0636 of
General Director

CORRUPTION AND FRAUD PREVENTION RULES

I. GENERAL PROVISIONS

1.1. Public Company ORLEN Lietuva (hereinafter, the Company) Corruption and Fraud Prevention Rules (hereinafter, the Rules) developed in accordance with PKN ORLEN S.A. Policy for Prevention of Corruption and Fraud in ORLEN Group establishing uniform principles and standards applicable in the companies of ORLEN Group for counteracting abuse and corruption in any form.

The Company as a reliable business entity and business partner that operates in a responsible and transparent manner, which gains its competitive advantage solely due to the quality, price and innovative character of offered products and services, declares and expects a zero-tolerance approach to corruption and fraud in any form, pursuing and encouraging the activities based on ethical values and compliance with the law and market standards regulating the issues of corruption and fraud prevention on all markets where companies of ORLEN Group, their branches and representative offices operate.

The present Rules are intended for ensuring a fair and transparent model of business activities conducted by the Company to guarantee the trust, security and sustainability of economic relations, free competition and value creation for all stakeholders of the Company.

The Rules supplement the provisions laid down in the Code of Ethics of ORLEN Group, especially as regards building awareness and application of the standards of conduct aimed at reducing the risk of corruption and fraud.

Requirements of the present Rules, by reference to the provisions of national legislation regulating prevention of corruption and fraud, shall apply to all employees of the Company, regardless of the form of cooperation and position held, as well as all to other stakeholders of the Company, and especially those acting on behalf of the Company.

Actions committed in breach of the provisions of the Rules may cause reputational damage to the Company and ORLEN Group and give rise to legal responsibility or financial liability of the Company' employees, other companies or stakeholders as well as may serve as the basis for termination of cooperation and damages caused in this relation.

1.2. Objectives of the Rules:

1.2.1. Establishing uniform and consistent standards of conduct for all employees of the Company aimed at reducing the risk of corruption and fraud in pursuit of business activities, especially in relations with public sector representatives and business partners.

1.2.2. Determining measures and responsibilities applied in the Company and responsibility (liability) in the event of non-compliance to reduce the risk of corruption and fraud.

1.2.3. Raising awareness of the Company' employees, external representatives and stakeholders to the extent of adopted ethical standards.

II. TERMS AND DEFINITIONS

2.1. The terms used herein shall be defined as follows:

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| Company | Public Company ORLEN Lietuva; |
| ORLEN Group | PKN ORLEN S.A. and commercial companies which are the subsidiaries of PKN ORLEN S.A. within the meaning of International Financial Reporting Standard 10 – Consolidated Financial Statements, or any other standard applicable in lieu thereof, including their subsidiaries, branches and representative offices; |
| Public officer | a natural person performing public functions; |
| Conflict of Interest | <ol style="list-style-type: none">1) a situation where the Company's employee in the position subject to conflict of interest assessment as defined in Conflict of Interests Management Rules of the Company, or an external representative of the Company makes a decision or deliberately engages in activities on behalf of the Company in a manner that brings or may bring undue benefit (financial or private gain) to such employee/representative or entities connected with him;2) a situation where the interests of the Company's employee in the position subject to conflict of interest assessment as defined in Conflict of Interests Management Rules of the Company, or the interests of an external representative of the Company, because of his legal or factual links with another entity, influence or may influence an assessment of a particular situation, the decisions taken, or the performance of entrusted tasks, and the nature of such legal or factual connection permit reasonable doubts as to the impartiality of such employee or representative; |
| Business partner | a natural or legal person, or an entity without legal personality: <ol style="list-style-type: none">1) being a party to an agreement concluded by the Company, or providing services to the Company based on a duly issued order,2) with which the Company conducts negotiations regarding conclusion of an agreement or placement of an order; |
| Corruption | the act committed in breach of the applicable legislation, by promising, offering, giving, receiving or soliciting to accept an undue financial or personal benefit, regardless of its value, as an incentive or reward for a person acting or withholding from acting in connection with the performance of official or professional duties; corruption is one of the forms of fraud; |
| Financial benefit | each item or service, the value of which may be expressed in monetary terms. Financial benefit may be a personal benefit or benefit for a third party and may consist in increasing the value of property (e.g. a loan on preferential terms, gift, contract award in a public tender) or reducing liabilities (e.g. avoidance of losses in assets, remission of debts), which in each case leads primarily to the satisfaction of material needs; |
| Personal benefit | a non-financial benefit improving the situation of its recipient or satisfying his needs. A personal benefit may be a private gain or |

benefit for a third party and may consist in promising a job or offering a job or better job position;

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| Control mechanisms | actions having an impact on the probability that fraud risk may materialize, and an impact on the scale of its effect on the activities of the Company. Control mechanisms also include formal, organizational or operating solutions the purpose of which is to prevent or identify cases and signs of corruption and fraud; |
| Fraud | an action or omission that constitutes a breach of legal acts, internal regulations or procedures of the Company as a result of which the person or related entities committing such action or omission gain undue benefits or as a result of which unjustified losses are incurred by the Company. The gain or loss may be of a financial, material or non-material nature, which also includes personal benefits and reputational damage. Fraud is perceived as the form of corruption; |
| Person performing a public function | public officer and other persons defined in the applicable legislation, including staff of local authorities or employees of institutions managing public funds; |
| Employee | a person employed in the Company under an employment contract. For the purposes of the present Rules, an employee shall also mean a person providing services for a Company under a civil law contract, or a person holding a position in the Board of Directors of the Company; |
| External representative of the Company | any external entity representing the Company in relations with counterparties, suppliers, customers, state and local authorities, also any external entity that supports the Company in new customer acquisition or in sale of goods, products, or services on behalf of the Company; external representatives are the persons acting for and on behalf of the Company on the basis of a relevant legal transaction. |
| Corruption-related criminal offences | bribery, trading in influence, abuse of powers and other criminal acts committed in the pursuit of private or other persons' advantage: the abuse of office or exceeding authorities, forgery of documents or measuring devices, fraud, misappropriation or misuse of assets, disclosure of official secrets, disclosure of commercial secrets, incorrect reporting of data on income, profit or property, legalization of the proceeds (money or property) acquired from crime, interference in the activities of a public officer or a person discharging public administration functions, or other criminal acts, when such acts are committed with the aim of seeking or demanding a bribe, bribery, or disguising or concealing bribery. |

2.2. Provisions of the Rules referring to 'accepting and giving gifts' and 'managing conflicts of interest' shall be construed as references to Regulations on Accepting and Granting Gifts and Conflict of Interests Management Rules of the Company.

2.3. Verification of reliability of business partners as well as acceptance and investigation of reports on breaches of legal acts are exercised by the Company pursuant to the Rules on Integrated Verification of Reliability of Business Partners and other internal documents of the Company.

III. PROHIBITED BEHAVIORS

3.1. The Company declares and expects a zero-tolerance approach towards any forms of corruption and fraud, including *inter alia* the forms of corruption and fraud defined in Chapter III of these Rules.

3.2. It is prohibited to commit any **bribery**, understood as demanding, accepting or promising a financial or personal benefit and granting or promising to grant a financial or personal benefit in return for abusing powers or failing to discharge obligations, which may cause financial losses to the Company or which constitute an act of unfair competition or an unacceptable preferential act to the benefit of a buyer or recipient of goods, services or works. The above provisions do not apply to accepting and giving permitted gifts as established by the Company's Regulations on Accepting and Granting Gifts.

3.3. It is prohibited to commit any **bribery**, understood as granting or promising a financial or personal benefit to a person performing functions in the public sector in connection with the performance of such functions. It is also prohibited to take actions aimed at soliciting a person who performs a public function to breach the requirements of legal provisions, or to grant or promise to grant the said person any material reward or private gain for such breaches. The above provisions do not apply to accepting and giving permitted gifts as established by the Company's Regulations on Accepting and Granting Gifts.

3.4. It is prohibited to commit any **trading in influence in business**, understood as allusion to powers and influence in the Company resulting from the position held, or as suggestion to another person or strengthening his belief that powers and influence may be exerted acting as an intermediary to arrange any matter in return for a financial or personal benefit or a promise thereof.

3.5. It is prohibited to commit any **trading in influence in public sector**, understood as granting or promising to grant a financial or personal benefit in return for acting as an intermediary and for decisions, actions or omission to act on a matter in state or local authorities, international or national organizations or foreign institutions managing public funds.

3.6. It is prohibited to commit interference in sales or procurement tenders for obtaining a financial or personal benefit, or prevent participation of other entities in such tenders, or enter into any unfair agreements with other entities to the detriment of the owner of property or a person or institution for whom the tender or procurement/sales procedures are conducted. It is also prohibited to disseminate any information in connection with a tender or procurement/sales procedure, or conceal the circumstances of decisive importance for the conclusion of a contract being the subject of a tender or procurement/sales procedure, or to enter into an agreement with other persons to the detriment of the owner of property or a person or an institution for whom the tender or procurement/sales procedures are conducted.

3.7. It is prohibited to commit any acts of **corruption in sports**, understood as demanding, accepting or promising a financial or personal benefit in return for unfair behavior that may affect the result or progress of sports competitions organized by sports federations or entities operating on the basis of an agreement concluded with such federations, or entities operating under their authorization.

3.8. It is prohibited to commit **negligent handling or falsification of financial documentation**, understood as material damage caused to the Company by failure to keep records of business activity or by keeping inaccurate or false records, including destruction, hiding or falsification of documents concerning business activities of the Company.

3.9. It is prohibited to **act to the detriment of the Company's resources**, understood as theft, misappropriation, destruction of resources of the Company or any other use that is contrary to the provisions of the applicable legislation, internal regulations, or intended purpose of these resources.

3.10. It is prohibited to show **any cronyism and nepotism**, understood as abuse of powers in a particular position or favoring certain groups of individuals, e.g. family members, members of the same political, religious, trade, ethnical organization, etc., to obtain financial or personal

advantage because of relationship rather than qualifications or the substantive grounds established by the regulations applicable in the companies of ORLEN Lietuva Group.

3.11. It is prohibited to **finance political parties**, understood as financial support made by the Company to national or foreign political parties or movements, or supporters thereof, regardless of their form.

3.12. It is prohibited to **exert any pressure or influence**, which means that the actions pursued by the Company in relation to sponsorship, barter and donations cannot take the form of exerting pressure or influence on the decision-making process of beneficiaries.

3.13. It is prohibited to take any other actions prohibited by generally applicable laws, including but not limited to fraud, document forgery, false testimony.

3.14. Actions of a person aimed at ensuring the performance of the provisions laid down in these Rules cannot give rise to any negative consequences for such person who, as a result of conduct compliant with the Rules, failed to acquire or retain a customer, sell a product or service, achieve certain objectives or otherwise create economic or reputational gain for the Company and ORLEN Group.

3.15. In case of any doubts as to the aforementioned prohibited behaviors, an immediate superior or Anti-Corruption Coordinator of the Company shall be promptly contacted.

IV. OBLIGATIONS OF THE COMPANY EMPLOYEES AND EXTERNAL REPRESENTATIVES

4.1. Managers listed in Annex 1 to Organizational Regulations of the Company shall be responsible, within the area of delegated activity, for the following:

- 4.1.1. implementation of the Rules and the effectiveness of formal and organizational solutions aimed at reducing the risk of corruption and fraud, as well as fostering of fair and transparent conduct;
- 4.1.2. monitoring and identifying risks of corruption and fraud in business processes, in particular by supervising the application of control mechanisms in business processes under supervision;
- 4.1.3. ensuring transparency in contacts with contracting parties and public sector, insofar possible and compatible with the requirements for business secrecy;
- 4.1.4. support, cooperation and participation in the exchange of information within ORLEN Group on the risks related to corruption and fraud;
- 4.1.5. ensuring communication and trainings, in cooperation with Director of Human Resources, to raise awareness among the Company employees, external representatives and business partners as regards the prevention of corruption and fraud.

4.2. Employees of the Company and external representatives are under obligation to:

- 4.2.1. comply with requirements set forth by the Rules by avoiding prohibited behaviors, whereas in case of obtaining information or in the event of a suspicion that the said behaviors were committed, to report such to their superiors, either in person or anonymously via the Company' channels for reporting breaches, including to Control and Security Office of PKN ORLEN S.A., should circumstances so require;
- 4.2.2. observe the applicable legislation of the Republic of Lithuania regulating prevention of corruption and fraud;
- 4.2.3. comply with ethical standards adopted in the Company and avoid conflicts of interest in all undertaken activities, especially in transactions with natural persons, business partners, public institutions and community-based organizations;

- 4.2.4. apply anti-corruption clauses in relations with business partners as well as the declarations confirming the compliance of anti-corruption and ethical standards adopted by business partners with the requirements of the Company;
- 4.2.5. use control mechanisms and ensure the transparency of business processes referred to in Par. 5.1 hereof.

4.3. In business processes where employees or external representatives of the Company have or may have influence over selection of business partners as a result of decisions made or opinions issued, such employees and external representatives must observe the requirements set forth in the Rules in order to:

- 4.3.1. ensure equal access for business partners to information on conducted activities;
- 4.3.2. restrict access for unauthorized persons to information on conducted activities;
- 4.3.3. prevent undue financial or personal benefits;
- 4.3.4. exercise due diligence in the performance of business activities.
- 4.3.5. withdraw from the relevant activities in the situations where potential conflict of interests exists.

V. CONTROL MECHANISMS IN BUSINESS PROCESSES OF THE COMPANY

5.1. Control mechanisms must be applied in all business processes where the risk of corruption and fraud has been identified, including:

- 5.1.1. wholesale and retail trade (purchase/sale) in materials, goods, products and services;
- 5.1.2. investment processes;
- 5.1.3. processes related to sponsorship, marketing, advertising, lease, franchise, acquisitions, gratuitous transfer, donation and rental of assets,
- 5.1.4. mergers and acquisitions;
- 5.1.5. financial processes;
- 5.1.6. payroll and HR processes;
- 5.1.7. information security management processes;
- 5.1.8. investor relation management processes;
- 5.1.9. cooperation with public sector and audit authorities;
- 5.1.10. audit and control operations;
- 5.1.11. consulting services;
- 5.1.12. Business partner verification processes;
- 5.1.13. entry into agreements and amendment thereof.

5.2. It is recommended not to enter into economic relations with business partners as part of business activity, if:

- 5.2.1. reliable information has been obtained indicating that the business partner may have acted in breach of legal requirements related to corruption and fraud prevention, in particular, the information that the business partner or a person performing functions in management bodies or holding a managerial position in the business partner's company was convicted for corruption-related criminal offences referred to in Articles 182, 225-229 of Criminal Code of the Republic of Lithuania;

5.2.2. Business partner refuses to sign the Anti-Corruption Clause, or proposes anti-corruption provisions that are not acceptable for Anti-Corruption Coordinator of the Company.

5.3. When assessing corruption risks, the following circumstances shall be taken into consideration:

5.3.1. whether particular business relations pertain to a business partner from a country with a high corruption perception index published, for example, by Transparency International (www.transparency.org);

5.3.2. whether persons holding positions in management bodies of the business partner are linked to politically exposed persons within the meaning of the legislation regulating money laundering and terrorist financing prevention;

5.3.3. whether the business partner demands the adoption of non-standard contractual provisions, terms or conditions, or payment terms;

5.3.4. whether there are other symptoms indicating the existence of the risk of corruption or fraud in connection with the business partner.

5.4. The decision on cooperation by the Company with the business partner not recommended for anti-corruption reasons shall be made by the relevant business process owner, with the exclusion of the proceedings conducted on the basis of the provisions regulating public procurement contracts and having regard to the provisions of Law of the Republic of Lithuania on Competition and Law on Energy.

5.5. Agreements with business partners shall include the Anti-Corruption Clause that should cover *inter alia* the anti-corruption standards applicable to each of the parties to the agreement, and information on the methods for reporting breaches in connection with the conclusion and performance of the agreement adopted by the parties.

5.6. The Anti-Corruption Clause does not need to be included in the agreements concluded between companies from ORLEN Group, also employment contracts concluded by the Company and other non-commercial contracts.

5.7. For conclusion of transactions with business partners in business processes referred to in Par. 5.1 above, where the estimated value of the intended agreement exceeds EUR 125'000 or an equivalent thereof in another currency translated at the exchange rate published by the Bank of Lithuania, the employee responsible for the relevant procedures in the Company must apply to Control and Security Department of the Company for the appointment of an expert of economic security. The principles of the participation of economic security expert in the relevant procedures are set forth in separate internal regulations, including Procurement Regulations of the Company.

5.8. The process of selection of a business partner, contents of the agreement and its amendments must be documented in electronic form in the Company's IT systems by ensuring adequate documentation of the course of the assessment and decision-making process.

5.9. For each agreement concluded by the Company whereby the relevant obligations (liabilities) are assumed, the initiator of the contract / responsible employee shall be assigned as set forth in the Company's Rules on Conclusion, Coordination, Storage and Destruction of Contracts.

5.10. Agreements may not be concluded and powers under such agreements may not be granted to the entities whose participation in the relevant business processes may lead to reasonable suspicion as to their impartiality or existence of financial, economic or personal interests other than those of the Company. In case of already concluded agreements, the obligation to verify entities for their ability to represent the Company rests with the manager of business area responsible for a relevant process covered by the signed agreement.

5.11. The Company keeps electronic registers of the issued powers of attorney, commercial agreements and registers of business partners.

5.12. The Company introduces and equally applies uniform rules and internal regulations compliant to the applicable legislation and standards with regard to taxes, accounting, recovery of

debts, asset management, customer service, internal control and information security, cooperation with control authorities of public sector and document management.

5.13. The Company introduces and equally applies uniform rules and internal regulations concerning the division of responsibilities among organizational units as well as the management of human resources, including the rules/procedures for recruitment and the scope of obligations of employees.

5.14. The Company enables reporting of breaches and ensures protection of individuals reporting such breaches against retaliation of any form. At least one channel for reporting breaches must ensure the possibility to report breaches anonymously and to ensure the confidentiality of data by which the reporting individual can be identified in the cases where reports are not submitted anonymously pursuant to the procedures established in the Company.

5.15. Management of the Company and individuals engaged in business processes that lead to the selection of a business partner of the Company must submit the statements on their legal or factual connections that may give rise to reasonable doubts as to their impartiality, as set forth in Conflict of Interest Management Rules of the Company or other internal regulations.

5.16. Giving and accepting gifts in the Company is regulated by the Company's Regulations on Accepting and Granting Gifts.

5.17. In the event of merger and acquisition projects, the Company shall conduct an audit to identify the risks connected with assuming of responsibility for breaches of corruption and fraud prevention requirements, whereas the results of risk analysis based on the audit findings must be taken into consideration in the decision-making process and development of contractual clauses aimed at limiting the liability of the Company in case of corruption and fraud prevention requirement breaches.

5.18. The cases of suspected corruption and fraud shall be investigated in accordance with the Company's Regulations on Carrying out Controls.

5.19. In view of the Company's business specifics, control mechanisms in the Company are introduced, implemented, monitored and updated according to the results of the risk analysis for the area of corruption and fraud prevention in business processes as well as according to the audit and control findings where corruption and fraud cases were identified. Due to the size and nature of its business, the Company is included in the list of Category III enterprises of importance to ensuring national security as defined by Law of the Republic of Lithuania on the Protection of Objects of Importance to Ensuring National Security, thus the activities of the Company are subject to specific legal framework reflecting the importance of the Company for ensuring national security.

VI. COMMUNICATION, TRAINING AND REPORTING

6.1. In order to ensure the appropriate level of awareness of these Rules by all persons concerned, the main provisions of the Rules shall be published on internal media and website of the Company.

6.2. Employees and external representatives of the Company shall have access to mandatory trainings on corruption and fraud prevention.

6.3. Corruption and fraud prevention training is mandatory for all employees of the Company and shall be arranged regularly every two years. Trainings may also take the form of e-learning in the e-training platform on Intranet at: Žmonės / Darbuotojų mokymai / E-mokymai.

6.4. Training program shall be developed by Anti-Corruption Coordinator (Director of Control and Security) of the Company jointly with HR Department.

6.5. The information exchange with the companies from ORLEN Group to the extent regulated by the present Rules cannot breach the requirements of applicable legislation as well as internal regulations of the Company and ORLEN Group concerning protection of personal data, trade secrets and business secrets.

VII. FINAL PROVISIONS

7.1. Control and Security Department of the Company shall implement business objectives of the Company, cooperate with law enforcement authorities and ensure security of the Company to the extent of preventing and identifying corruption and fraud as well as assess the compliance of actions taken by the Company' employees, external representatives and business partners with the applicable laws and internal regulations.

7.2. Director of Control and Security shall be responsible for arranging periodic review of the present Rules and update thereof, if needed.

Prepared by:
Director of Control and Security
Nerijus Giedra

ANTI-CORRUPTION PROVISIONS

1. Each of the Parties, including their affiliates and representative offices, confirms that in performance of the present Contract it shall exercise due diligence and shall comply with all legal provisions of the European Union and the Republic of Lithuania binding on the Parties within the scope of preventing corruption.
2. Each of the Parties declares that it has implemented procedures for corruption prevention and conflict of interest management, and no convictions were delivered over the last three years in respect of the members of managing, control or supervisory bodies or representatives of the Parties for a corruption-related criminal offence.
3. Each of the Parties certifies that acting in connection with performance hereof, whether directly or through any business entity controlled by or affiliated with the Parties, it shall comply with all requirements and internal regulations applicable to the Parties as regards standards of ethical conduct, prevention of corruption, settlement of transactions, costs and expenses in compliance with the law, conflict of interests, giving and accepting gifts, anonymous reporting, and clarification of irregularities.
4. The Parties ensure that in conclusion and performance of the present Contract none of them or their owners, shareholders, stockholders, members of the management board, directors and other staff members, subcontractors or other persons acting on their behalf have/has not made, proposed, promised, authorized to make and shall not make, propose, promise, or authorize to make any payment or another transfer constituting a financial or any other benefit directly or indirectly to any of the following:
 - (i) any member of the management board, director or other staff member or agent of a given Party or of any business entity controlled by or affiliated with the Parties,
 - (ii) a public official understood as a natural person performing a public function within the meaning given to this term in the legal system of a country in which the present Contract is performed or in which the registered offices of the Parties or any business entity controlled by or affiliated with the Parties are located;
 - (iii) any political party, member of a political party or a candidate for a post in a state office;
 - (iv) any agent or intermediary in exchange for payment to any of the aforementioned; and
 - (v) any other natural person or legal entity, whether directly or through any business entity controlled by or affiliated with the Parties, in order to obtain their decision or actions which may result in any privilege inconsistent with the law or for any other improper purpose, if such action breaches or would be in breach of the legislative of the European Union and the Republic of Lithuania within the scope of prevention of corruption.
5. The Parties undertake to immediately inform each other about the cases of breaching provisions of the Anti-Corruption Clause. At the written request of any Party, the other Party undertakes to provide information and answers to reasonable questions of the other Party related to the performance of the Contract within the scope of the Anti-Corruption Clause.
6. Each of the Parties confirm that in performance of this Contract it shall enable each person acting in good faith to report breaches on an anonymous basis by e-mail anonim@orlenlietuva.lt or by phone +370-800-90008.
7. In case of suspicions of corrupt actions made in connection with the present Contract or its performance by any representatives of the Parties, the Parties shall cooperate in good faith for examining the circumstances of such cases.

ANNUAL REPORT
on Implementation of the Provisions of Corruption and Fraud Prevention Rules

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| 1. | The number of prohibited behavior cases, as defined in the Rules, identified in the Company: | |
| 2. | The number of reported breaches of the Rules in the Company: | |
| | – including anonymous reports: | |
| 3. | The number of cases referred by the Company to law enforcement authorities: | |
| 4. | The number of fraud cases referred for investigation to other organizational units of the Company: | |
| 5. | The number of the Company' employees who reported a breach and were granted protection: | |
| 6. | The number of non-disclosed conflicts of interests identified in the Company: | |
| 7. | The number of reported gifts accepted by the Company: | |
| 8. | The number of reported gifts given by the Company: | |
| 9. | The number of controls conducted in connection with a suspicion of corruption, fraud, or a conflict of interests: | |
| 10. | The number of controls that confirmed cases of corruption, fraud or activity as part of a conflict of interests: | |