

PUBLIC COMPANY ORLEN LIETUVA

APPROVED BY:
General Director's
5 April 2023
Order No TV1(1.2-1)-2023-0162

REGULATIONS ON ACCEPTING AND GRANTING GIFTS

I. General provisions

1.1. Public Company ORLEN Lietuva (hereinafter – the Company) Regulations on Accepting and Granting Gifts (hereinafter – the Regulations) have been developed in accordance with PKN ORLEN S.A. Policy for Accepting and Giving Gifts in the ORLEN Group, which establishes the uniform principles and standards applicable in the companies of ORLEN Group for reducing the risk of corruption and fraud.

1.2. The Regulations shall apply to:

1.2.1. Company employees working on the basis of an employment contract;

1.2.2. Natural persons that regularly cooperate with the employees of the Company's organizational units on the basis of contracts concluded with them;

1.2.3. Third parties representing the interests of the Company on the basis of agreements concluded with the Company and the powers of attorney granted to them in accordance with the procedures established by the Company.

1.3. Accepting and granting of gifts shall be permitted in accordance with these Regulations and other internal documents of the Company (if applicable), as well as legislation of the Republic of Lithuania governing taxes and personal data protection.

1.4. The Regulations shall not apply to gifts accepted and given within the companies of ORLEN Group.

1.5. The Regulations shall not apply in cases of incurrence of representation costs. In such case, the current version of the Company Regulations for Recognition of Representative and Promotional Expenses shall apply.

1.6. The Regulations shall not apply to gifts granted by the Company to its staff members in accordance with the legal acts of the Republic of Lithuania.

1.7. The Regulations shall not apply to gifts exchanged among the staff members of the Company.

II. Definitions

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

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;

Business partner A natural or legal person, or an entity without legal personality:
1) Being a party to an agreement concluded with the Company or performing obligations for the benefit of the Company based on an agreement and/or order, providing services, selling goods, products, performing works.

2) With which the Company conducts negotiations regarding conclusion of an agreement or placement of an order;

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| Gift | Financial or personal benefit of certain value granted or received by the Company employees and/or persons representing the Company in relations with business partners and public sector representatives, also in relations inside the Company; |
| Register of gifts | A register maintained by the Control and Security Department of the Company and used to record gifts accepted or granted by persons referred to in Paragraph 1.2 herein. |
| External representative of the Company | Any external entity representing the Company in relations with business partners, 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. |

2.2. Provisions of the Rules referring to 'accepting and giving gifts' and 'managing conflicts of interest' shall be construed as references to the 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. General provisions

3.1. Gifts may be considered as revenue and therefore they are subject to income tax. In exceptional circumstances income obtained as a gift may be exempt from taxation.

3.2. Gifts provided to business partners are not subject to income tax in the following cases:

3.2.1. Gifts serve the purpose of promoting or advertising the Company, e.g., gift has a durable logo of the Company and is intended to maintain business relations with another company or natural person;

3.2.2. The recipient of the gift is not an employee of the Company and the value of the gift does not exceed EUR 100 (one hundred).

3.3. The following shall be established prior to giving gifts to business partners:

3.3.1. Gift acceptance policy of the business partner;

3.3.2. Legal requirements applicable to received gifts in the country of registration of the business partner.

3.4. When giving a gift, person referred to in Paragraph 1.2 herein shall inform the recipient of the value of the gift. If the value of the gift does not exceed EUR 100 (one hundred euros), it is sufficient to inform the recipient that the value does not exceed this amount. If the value of the gift exceeds EUR 100 (one hundred euros), it is mandatory to inform the recipient that the gift will be subject to personal income tax and other taxes applicable in the Republic of Lithuania

3.5. If informing the recipient of the value of the gift might be considered by the recipient as indecent, such information should be provided in another acceptable way.

3.6. The threshold value of gifts mentioned in Paragraphs 3.2.2 and 3.4 of the present Regulations have been determined based on the legal provisions concerning the non-taxable benefits valid in the Republic of Lithuania on the day of entry into force of the present Regulations. The indicated threshold value may change in case of amendments to the governing laws of the Republic of Lithuania.

3.7. The following principles should be observed when deciding whether to give or accept the gift:

3.7.1. The principle of honest intentions of the person granting the gift:

- The circumstances in which the gift is granted, the fact of granting and the character of the gift aim solely at building or strengthening business relations or demonstrating politeness.
- The gift is not intended to have an impact on the recipient and his/her objectivity in taking business decisions,
- The gift is not offered at the time when the intended recipient is involved in a decision taking process, the beneficiary of which may be the person handling the gift or a person associated with him/her.

3.7.2. The principle of lawfulness:

- The type of gift and the circumstances in which it is given do not violate good customs as well as national, foreign and international legal regulations;

3.7.3. Principle of proportionality:

- The unit value of the gift is within the acceptable limit and in accordance with adopted standards in given case,
- The gift is given occasionally and is associated with a specific occasion,
- Handling the gift shall not impose any obligation on the recipient or create such impression.

3.7.4. Principle of transparency:

- It is not permitted to accept gifts that in the mind of these receiving may be embarrassing because of their value or the feeling to return the gesture or the need to conceal the fact of receiving such gifts from the supervisor or co-workers.

3.8. In case of any uncertainty regarding accepting or giving gifts, the Company employees or persons representing the Company shall immediately contact their immediate superior or Anti-Corruption Coordinator of the Company (Director of Control and Security).

IV. Categories of gifts

4. Gifts are divided into:

4.1. Gifts that can be accepted and given without a separate permit.

4.2. Gifts that can be accepted and given if certain conditions are met.

4.3. Gifts that must not be accepted or given.

V. Gifts that can be accepted and given without a separate permit

5.1. Catering services provided at the Company's expense during business negotiations, meetings of the Company management bodies or other meetings shall not be considered gifts within the meaning defined in the present Regulations provided that such expenditure can be qualified as representation costs, general costs, administrative costs or other costs connected with the business activities conducted by the Company.

5.2. Invitations to entertainment events, understood as sporting events, theater performances, concerts or other cultural events up to EUR 100 (one hundred euro) per invitation are allowed if:

5.2.1. They are of occasional nature and may be offered by any of the parties on the basis of reciprocity;

5.2.2. A person offering a ticket also intends to participate in the event.

5.3. The following are acceptable and are not treated as gifts: invitations to events, training courses or workshops conducted by the person handling the invitation as the host, as long as participation in the event is free of charge.

5.4. Advertising gifts such as pens, notebooks, calendars, other small items with the logo of the Company or a business partner are acceptable if their value per person does not exceed EUR 100 (one hundred).

5.5. Expenditure that is not targeted at specific persons is considered advertising under the laws of the Republic of Lithuania; therefore, the gifts mentioned in Paragraph 5.4 herein shall not be

entered in the Register of Gifts referred to in Paragraph 8 herein, if they are provided by the Company during events organized in accordance with separate provisions (e.g. trade fairs, conferences, symposiums) where the gifts are given to a group of people and where it is not possible to identify the individual recipients of the gifts.

5.6. It is permitted to accept and give the gifts listed in Paragraphs 5.2 and 5.4 herein if they are appropriate in the particular case and consistent with the Code of Ethics of the Company and the ethical principles of the Company and the recipient. The persons referred to in Paragraph 1.2 should make an assessment of the situation before deciding whether to give or accept a gift. If the circumstances do not allow making such assessment, the person should consult his/her superior or the Company's Ethics Representative.

VI. Gifts that are permitted if certain conditions are met

6.1. Gifts, which may be given and accepted only if the following conditions are met:

6.1.1. Gifts with a total value exceeding EUR 100 (one hundred euro) may be given to persons referred to in Paragraph 1.2 herein on condition that written consent has been obtained from their direct superior or, in case of a person representing the Company, from the manager of the Company's organizational unit supervising the activities of such person;

6.1.2. A gift should be refused if the recipient thinks that it is worth more than EUR 100 (one hundred euro). If the refusal might offend the person making the gift, the gift should be accepted. After the meeting during which a gift was made, the recipient of the gift (person referred to in Paragraph 1.2 herein) should immediately inform in writing about the gift his/her direct superior (in case of a person representing the Company - the manager of the Company's organizational unit supervising the activities of such person). The superior (manager of the Company's organizational unit) shall decide whether the recipient may keep the gift or return it. If the gift is allowed to be retained, the recipient is taxed in accordance with the laws of the Republic of Lithuania.

6.1.3. Invitations to entertainment events should not be personal but addressed to the Company (gifts received) or to a business partner (gifts made) and should contain a request to name a specific person (from those mentioned in Paragraph 1.2 hereof). The specific person shall be indicated by the organizational unit manager, who or whose subordinate received the invitation.

6.2. The principles set out in Paragraph 3.7 herein shall apply to the acceptance of gifts indicated in Paragraph 3.7 herein.

6.3. If there is any doubt as to the lawfulness of making or accepting a particular gift, the conditions set out in Paragraph 6.1 herein shall be interpreted in a restrictive way.

VII. Prohibited gifts

7.1. It is prohibited to make or accept gifts if they do not meet the below conditions:

7.1.1. The accepted or provided gifts do not comply with the requirements of the legislation of the Republic of Lithuania, the Company's internal documents, including the Company's Code of Ethics, and the relevant rules applicable to the business partner;

7.1.2. The gift is in the form of cash or a cash equivalent, including gift vouchers, gift cards, loans, shares, securities etc.;

7.1.3. The gift is improper, e.g., is of erotic or sexual nature, or may negatively affect the reputation of the Company or third parties;

7.1.4. The circumstances in which the gift is handled indicate that the handling party expects reciprocal behavior or causes some commitments upon the recipient of the gift, in particular by violating the laws or the Company's internal documents;

7.1.5. A gift that may give rise to a conflict of interest;

7.1.6. The acceptance of a gift is made conditional on the value or size of the benefits achieved in relation to the level of cooperation;

7.1.7. Gifts are made before entering into a business relationship, unless they are intended to demonstrate the main activities of the person making or receiving the gift – in such case extreme caution should also be exercised.

7.2. It is prohibited to make gifts to Lithuanian or foreign civil servants or persons equivalent to them, in connection with the functions performed by them, except for gifts mentioned in Paragraph 5.4 that are granted in accordance with the provisions of Paragraph 3.7.

VIII. Register of non-cash gifts

8.1. Seeking to properly implement the Regulations, the Company maintains an electronic ORLEN Lietuva group register of gifts.

8.2. The registration of gifts of persons referred to in Paragraph 1.2 shall be carried out in accordance with the applicable personal data protection requirements.

8.3. All gifts made or received with the value in excess of EUR 100 (one hundred euro) shall be entered in the electronic register of gifts in accordance with the requirements set out below, with the exception of the gifts referred to in Paragraph 5.5 herein.

8.4. The Company's register of gifts is maintained by the Company's Control and Security Department. Gifts may be registered by email: kontrolesirsaugoskyrius@orlenlietuva.lt.

8.5. The following information shall be indicated in the register of gifts and in the email (if registration is made by email):

8.5.1. Full name of person that made the gift, organizational unit and represented company;

8.5.2. Full name of person that accepted the gift, organizational unit and represented company;

8.5.3. Date of handling the gift;

8.5.4. Description of gift;

8.5.5. Value of gift;

8.5.6. Job position and organizational unit of person confirming the acceptance or provision of the gift;

8.5.7. Further use of the gift;

8.5.8. Confirmation of compliance with GDPR provisions (Annex 2 hereto).

8.6. The persons referred to in Paragraph 1.2 herein shall register the gift in the register within 7 (seven) working days after the handling of the gift. In case of business trips, the above mentioned time limit starts to be calculated on the next working day following the end of the business trip.

8.7. In the event of violation of the requirements set herein and of the obligation to register gifts, the rules on liability valid in the Company (in the case of third parties representing the interests of the Company the liability provisions of the contracts concluded with the Company) shall apply.

8.8. In case of gift the value of which is indicated at the time of its handling, the value indicated by the recipient shall be entered in the register of gifts. If the value of the gift is not known, it shall be determined in accordance with Paragraph 8.9 herein.

8.9. When the value of the gift is not specified at the time of its handling, the recipient shall determine its approximate value based on the prices of similar products in online stores (except for auction portals), with the value determination method indicated in the register.

8.10. When the value of gifts made by the persons referred to in Paragraph 1.2 exceeds EUR 100 (one hundred euro), their superiors (or in case of a person representing the Company, the manager of the Company's organizational unit supervising the activities of such person) shall provide

the Company's Accounting and Tax Administration Department with additional information about the recipient of the gift (a personal identification number for the purpose of deduction of taxes and tax return).

8.11. Employees, whose personal data is processed and recorded in the register of gifts, can find the information on such processing of data on the Company's Intranet <http://mnintranet/?pid=1726>. For persons that are not the employees of ORLEN Lietuva group companies, such information is provided on the Company's website: <https://www.orlenlietuva.lt/LT/Company/Puslapijai/Asmens-duomen%c5%b3-apsaugos-politika.aspx>.

8.12. A diagram with indicated registration obligations, which depend on the value of the gifts, and the categories of gifts are provided in Annex 1 hereto.

8.13. Failure by the parties to the agreements concluded with the Company to comply with the provisions of these Regulations may be subject to the penalties and liabilities set out in the relevant agreements.

IX. Communication, training and reporting

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

9.2. Training on the requirements of these Regulations shall be provided to the Company employees. Persons representing the Company in accordance with the provisions of the agreements concluded with the Company shall familiarize themselves with the current version of the Regulations and the training material published on the Company's website.

9.3. Training on the Regulations shall be given to the Company's employees at least every five years and may be combined with other trainings, e.g., ethics, anti-corruption of similar training. Training may be provided online using e-learning forms applied by the Company.

9.4. By 31 January each year, the Company's Anti-Corruption Coordinator (Company's Director of Control and Security) shall submit to PKN ORLEN S.A. Director of Control and Security an annual report on the implementation of the provisions of the Regulations for the previous year.

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

9.6. Questions regarding the application of the Regulations to the Company may be addressed to the Company's Anti-Corruption Coordinator (Director of Control and Security), including sending them by email: kontrolesirsaugoskyrius@orlenlietuva.lt.

X. FINAL PROVISIONS

10.1. If gifts are handled outside Lithuania, or if ORLEN Lietuva group companies registered in other states are involved in the process, the Regulations shall apply to the extent permitted by the applicable local and international laws.

10.2. For gifts received in a foreign country, the value limit of EUR 100 established in these Regulations should be applied, taking into account the relevant rates and the purchasing power of money in the particular country. The provisions of Paragraph 8.8 shall apply accordingly.

10.3. For gifts handled outside of Lithuania, the provisions of these Regulations regarding tax matters apply to the extent to which Lithuanian tax legislation is applicable.

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

XII. ANNEXES

Annex 1. Diagram of registration obligations.

Annex 2. Information for persons that are not the employees of ORLEN Lietuva or third parties representing ORLEN Lietuva.

Prepared by: _____

Director of Control and Security

Diagram of registration obligations

