

PUBLIC COMPANY ORLEN LIETUVA

APPROVED BY
General Director's
Order No TV1 (1.2-1)-60
of 29 January 2019

ANTI-CORRUPTION POLICY OF ORLEN GROUP APPLICABLE WITHIN PUBLIC COMPANY ORLEN LIETUVA

OUR VISION

The ORLEN Group functions in compliance with the highest ethical standards

OUR OBJECTIVE

Assurance of a fair and transparent model of activities carried out by the ORLEN Group, guaranteeing trust & confidence, security, free competition and value for all stakeholders of the ORLEN Group

OUR OBLIGATIONS

- We act in line with proceeding values and standards of the ORLEN Group within our daily duties
- We do not tolerate corrupt behaviour/conduct, consisting in misusing positions or functions to obtain undue financial or personal benefits
- We are active in raising and verifying awareness of ethical attitudes and risks of corruption amongst our staff members and contracting parties
- Representatives of the ORLEN Group management staff are obliged to create a work environment based on respect for ethical standards and compliance with regulations in force
 - We avoid conflicts of interests which may undermine our honesty and credibility
 - We comply with internal regulations of the ORLEN Group within the scope of expenditures and gifts
 - We identify and manage the risk of corrupt behaviour/conduct and other abuses in a responsible and conscious manner
- We report and clarify cases including infringements of legal provisions and internal regulations on counteracting corruption and immediately take up appropriate disciplinary and remedial actions
- We abide by anti-corruption regulations in all places where our business activities are carried out

Preamble

Corruption offences make economic development difficult, violate free competition, increase costs related to conduct of business activities, impair security and quality of products and services, which may pose a threat to interests and destroy reputation of each and every entity being a participant of the business world.

Corruption and other abuses related to it involve penal liability & responsibility on the part of persons committing them and consequences for a company itself. Acceptance of corrupt acts hinders business activities, limits the possibility of promoting services and products, may make it impossible to acquire public and other kind of contracts as well as results in high financial penalties.

The Anti-corruption policy of the ORLEN Group (within the meaning of PKN ORLEN S.A. and commercial companies towards which PKN ORLEN S.A. is, directly or indirectly, a parent company within the meaning of provisions of the *Code of Commercial Companies*) reflects international good practices within the scope of prevention of, detection of and reaction to bribery, identification of technological, financial and reputational threats connected with corruption as well as another behaviour/conduct of corrupt nature which may be harmful to economic interests of the ORLEN Group.

Effective counteraction of corruption requires implementation of system solutions, based on an analysis of information available inside an organization and acquired from external sources.

Anti-corruption solutions protect against corrupt acts, defined by law, and additionally counteract uneconomical management, a conflict of interests incorrectly managed or collusion between contracting parties in case of their relationship to corruption.

Implementation of the Anti-corruption policy of the ORLEN Group, hereinafter referred to as the "Policy" or "Anti-corruption policy" enhances security in relations with the company's contracting parties and reinforces communication inside the organization.

§ 1

General provisions

1. The anti-corruption policy is a formal basis for implementation of the Anti-corruption System in the ORLEN Group which regulates relations between staff members, entities and persons representing companies from the ORLEN Group, contracting parties, suppliers/providers, customers and representatives of public administration bodies.
2. The Anti-corruption System is a set of measures, forms and methods of counteracting and detecting corruption and other abuses related to it, applied in companies of the ORLEN Group and centrally managed by the Control and Security Office of PKN ORLEN S.A.
3. The Anti-corruption System comprises: anti-corruption coordinators, organizational units which manage analytical and reporting instruments and the *Principles on supervision over and implementation of the Anti-corruption policy*, mentioned in § 6 of this Policy.
4. The Policy aims, in particular, at:
 - 1) counteracting and detecting incidents of corrupt nature through implementation of system solutions;
 - 2) identifying risks, assessing risks and taking up actions to protect economic interests of companies from the ORLEN Group;
 - 3) initiating control or audit operations to assess incidents and establish liability & responsibility on the part of persons suspected of corruption, including staff members

- and representatives of companies from the ORLEN Group who neglect implementation and application of anti-corruption standards;
- 4) implementing the proceeding principles of staff members and representatives of companies from the ORLEN Group enhancing anti-corruption security, including, at counteracting abuses whose origin may be evidence of corruption;
 - 5) raising awareness among persons who make business decisions within the scope of identification of corrupt behaviour/conduct and within the scope of counteracting them.

§ 2

Definitions

The terms used in the Anti-corruption System shall mean:

Corruption is an infringement of honesty obligations and obligations to comply with relevant legal provisions by public officials or persons in charge in a public sector and private sector within occupied positions, performed functions or entrusted scopes of responsibilities as well as means deriving additional profits from such occupancy, performance or entrustment, arising directly and indirectly from a promise, proposed, expected or handed in financial or personal benefit, for oneself or for third parties. The corruption term also includes the economic corruption which may take the form of: officials' corruption or managers' corruption.

Public official is a natural person who performs the public function within the meaning granted to this term in the legal system of the country in which the ORLEN Group company carries out its activities.

Staff member is a person employed in the ORLEN Group company based on an employment contract, regardless of working time determined by the employment contract.

Contracting party is a natural person, legal entity or organizational unit without legal personality, being a party to the Contract concluded by companies of the ORLEN Group or fulfilling obligations for the benefit of companies from the ORLEN Group based on a granted contract/order or a natural person, legal entity or organizational unit without legal personality with whom/which the ORLEN Group company conducts talks to conclude the Contract or grant a contract/order.

Representatives are any and all entities or persons representing companies of the ORLEN Group in contacts with contracting parties, suppliers/providers, customers and State institutions or local and regional government institutions as well as any and all entities and persons that support companies of the ORLEN Group in acquisition of customers or sell products or services in the name of the companies.

Whistle-blower is a person whose reported information about a possibility of committing a crime, identification/disclosure of irregularities or an infringement of internal regulations in connection with actions of the ORLEN Group company may negatively affect his/her professional situation.

Anti-corruption coordinator is a person in an organizational unit responsible for ensuring security in the ORLEN Group company dealing with acquisition, analysis and exchange of information within the Anti-corruption System.

Conflict of interests, for the needs of this Policy, is understood as a situation in which staff members or representatives of companies from the ORLEN Group participating in realization of business processes of companies from the ORLEN Group have – directly or

indirectly – a financial, economic or personal interest which may be perceived as posing a threat to their impartiality and independence in connection with a conducted process, which may lead to cases of corruption or other irregularities.

Monitored business processes are business activities carried out in companies from the ORLEN Group in which there is cooperation with contracting parties, suppliers/providers, customers or State institutions and local and regional government institutions.

Central Security Base is an information base about entities, events and threats to security of companies from the ORLEN Group together with analytical functions, used, inter alia, for anti-corruption analyses by Control and Security Office of PKN ORLEN S.A.

§ 3

Ensuring compliance with legal requirements and ethical standards

1. The Policy implies an obligation for all staff members and representatives of companies from the ORLEN Group to comply with anti-corruption provisions introduced in all countries where companies of the ORLEN Group carry out their activities, including:
 - the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (<http://www.oecd.org/corruption/oecdantibriberyconvention.htm>);
 - the Bribery Act, 2010, of the Parliament of Great Britain (<https://www.legislation.gov.uk/ukpga/2010/23/contents>);
 - the American Foreign Corrupt Practices Act – FCPA (<https://www.govinfo.gov/content/pkg/STATUTE-91/pdf/STATUTE-91-Pg1494.pdf>);
 - the Canadian Corruption of Foreign Public Officials Act, 1999 (<https://laws-lois.justice.gc.ca/eng/acts/C-45.2/>);
2. the Republic of Lithuania Law on Prevention of Corruption (<https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.168154/TpCkHJwjX>). Regardless of the obligation stipulated in section 1 above, the Policy imposes an obligation on all staff members and representatives of companies of the ORLEN Group to comply with principles of ethics, honesty and to act in accordance with binding law in all activities undertaken in particular in economic transactions in relations with natural persons, contracting parties, public institutions and social organizations.

§ 4

Prohibited behaviour/conduct

1. Staff members and representatives of Companies from the ORLEN Group are forbidden to commit such acts as:

Venality

Staff members and representatives cannot, in connection with performance of activities conducted for the benefit of companies from the ORLEN Group, accept a material or personal benefit or a promise of such, including for behaviour/conduct constituting an infringement of legal provisions and cannot make such an activity/such activities conditional on obtainment of a material or personal benefit.

Bribery

Staff members and representatives cannot grant a material or personal benefit to any person performing a public function, in connection with performance of this function by him/her. Staff members and representatives cannot take up actions, either, aimed at inducing a person who performs a public function to infringe legal provisions or grant or promise to grant such a person a material or personal benefit for an infringement of legal provisions.

Trading in influence – passive influence peddling

Staff members and representatives cannot, claiming to have influence and a position/standing in companies of the ORLEN Group or giving another person the impression or confirming his/her conviction of existence of such influence, undertake to act as an intermediary to arrange a matter in return for a material or personal benefit or a promise of such.

Trading in influence – active influence peddling

Staff members and representatives cannot grant or promise to grant a material or personal benefit in return for acting as an intermediary in arranging a matter in a State institution, local and regional government institution, international or national organization or in a foreign organizational unit having at its disposal public funds, consisting in unlawful exerting an influence on a decision, action or omission to act by a person performing a public function, in connection with performance of this function.

Managers' bribery

Staff members and representatives cannot demand or accept a material or personal benefit or a promise of such in return for abusing entitlements granted to them or non-fulfilment of an obligation, imposed on them, which may cause property damage to the ORLEN Group company in which they are employed or which constitutes an act of unfair competition or an unacceptable preferential act for the benefit of a buyer/acquirer or consignee/recipient of a good, service or supply.

Manipulations in tenders

Staff members and representatives cannot, to obtain a material benefit, prevent or hinder a tender or enter into an agreement with another person acting to the detriment of an owner of property or a person or an institution for whom/which a tender is conducted.

Staff members and representatives cannot, in connection with a tender, disseminate information or conceal significant circumstances of importance to conclusion of a contract being the subject of a tender or enter into an agreement with another person acting to the detriment of an owner of property or a person or an institution for whom/which a tender is conducted.

2. It is forbidden to grant powers of attorney to represent or conduct activities in the name of companies from the ORLEN Group to persons whose participation in processes carried out by them may give rise to a justified suspicion of partiality or of a financial, economic interest or a personal interest other than an interest of a principal granting a power of attorney.
3. Detailed forms and methods of counteracting and detecting the behaviour/conduct described in § 4 of this Policy are determined in the *Principles on supervision over and implementation of the Anti-corruption policy of the ORLEN Group* mentioned in § 6 of this Policy.

§ 5**Liability & responsibility of management board members/chief executive officers of companies from the ORLEN Group**

1. Management board members/chief executive officers of ORLEN Group companies shall be obliged to:
 - 1) implement the Policy as a standard for companies of the ORLEN Group as well as conduct systematic reviews and updates to enhance its effectiveness;
 - 2) identify corruption risks in business processes on a permanent basis;
 - 3) ensure transparency in contacts with contracting parties, suppliers/providers, customers and public administration bodies within the scope which does not breach the business secret;
 - 4) create, maintain and develop anonymous channels for informing about irregularities, including about corrupt behaviour/conduct in ORLEN Group companies;
 - 5) ensure necessary anonymity to whistle-blowers acting in good faith and in the interest of ORLEN Group companies;
 - 6) draw up and integrate own corruption counteraction systems at the level of databases and exchange of information in accordance with the Principles referred to in § 6 of this Policy to enhance effectiveness of the Central Security Base;
 - 7) reinforce organizational structures responsible for counteraction and detection of corruption, ensure access to information and technical means and measures used for gathering and analysing information;
 - 8) assign functions of anti-corruption coordinators to staff members employed in organizational units in charge of security of ORLEN Group companies, with a task to coordinate anti-corruption issues in cooperation with the Economic Security Department of PKN ORLEN S.A. – under supervision of the President of the Management Board Chief Executive Officer of PKN ORLEN S.A.;
 - 9) ensure effective internal and external communication in order to make it possible for staff members, representatives of ORLEN Group companies, customers and contracting parties to familiarize themselves with the Policy;
 - 10) in agreement with the Director of the Control and Security Office of PKN ORLEN S.A. – ensure trainings within the scope of counteraction of corruption for staff members, in particular at managerial positions and with a high risk of corruption;
 - 11) apply the principle on documentation of any and all anti-corruption actions.
2. Each and every company of the ORLEN Group may bear liability & responsibility for acts of persons acting in the name of it or on behalf of it under the principles specified in generally binding law, in connection with non-exercise of due diligence within the scope of counteracting corruption.
3. Members of management boards/chief executive officers of ORLEN Group companies undertake to introduce solutions to ensure that staff members and representatives of ORLEN Group companies permanently realize their individual penal liability & responsibility for acts of corrupt nature as well as liability & responsibility of ORLEN Group companies as collective entities for prohibited acts.

§ 6**Principles on supervision over and implementation of the Anti-corruption policy of the ORLEN Group**

1. Companies of the ORLEN Group shall be obliged to draw up, implement and realize the following procedures:
 - 1) "Principles on monitoring security of business processes in ORLEN Group companies";
 - 2) "Principles on integrated verification of security and credibility of business partners of ORLEN Group companies";
 - 3) "Principles on anonymous reporting of irregularities in ORLEN Group companies";
 - 4) "Principles on accepting and granting gifts in ORLEN Group companies".
2. The Director of the Control and Security Office of PKN ORLEN S.A. shall be responsible for:
 - 1) drawing up, implementing, realizing and updating the Principles mentioned in § 6 of this Policy in PKN ORLEN S.A. and the dissemination of such prepared Principles to the ORLEN Group anti-corruption coordinators;
 - 2) determining and updating the list of monitored business processes within implementation of this Policy;
 - 3) drawing up a training program for staff members and representatives of PKN ORLEN S.A. and anti-corruption coordinators of ORLEN Group companies;
 - 4) giving an opinion on the Anti-corruption Policies and Principles prior to implementation in ORLEN Group companies.
3. Business process owners in ORLEN Group companies shall be responsible for:
 - 1) ensuring compliance of monitored business processes within the Anti-corruption System with the Policy;
 - 2) drawing up and updating the list of representatives of ORLEN Group companies;
 - 3) applying anti-corruption clauses to trade contracts.
4. On a semi-annual basis, anti-corruption coordinators shall submit a report to the President of the Management Board/Chief Executive Officer of the company and the Director of the Control and Security Office of PKN ORLEN S.A. on the implementation progress of the Anti-corruption policy in ORLEN Group companies. The Director of the Control and Security Office of PKN ORLEN S.A. shall submit a composite report within this scope to the President of the Management Board of PKN ORLEN S.A.
5. The report referred to in § 6 section 4 of this Policy shall contain comprehensive evaluation of ORLEN Group companies in terms of anti-corruption protection, including a description of the current implementation progress of system solutions, information about identified irregularities as well as recommendations with indication of contracts with contracting parties that require a control/controls.

§ 7**Evaluation and perfection of the Anti-corruption policy**

1. The anti-corruption coordinator in the Control and Security Office of PKN ORLEN S.A.:

- 1) at least once per three years – shall conduct an inspection of the system to evaluate efficiency and effectiveness of the Anti-corruption System in ORLEN Group companies;
 - 2) in consultation with anti-corruption coordinators of ORLEN Group companies – shall draw up a plan of inspections of the Anti-corruption System which shall be approved by the Director of the Control and Security Office of PKN ORLEN S.A.;
2. Recommendations from the inspections of the Anti-corruption System shall be implemented within evaluation of the Anti-corruption policy of the ORLEN Group.