

PUBLIC COMPANY ORLEN LIETUVA

APPROVED BY
24th May 2019
Order No. TV1(1.2-1)-239
of General Director

RULES ON ANONYMOUS REPORTING OF IRREGULARITIES

I. PURPOSE AND SCOPE OF APPLICATION

1. The Rules on Anonymous Reporting of Irregularities (hereinafter, the Rules) to be applicable in Public Company ORLEN Lietuva (hereinafter, the Company) were developed following Law of the Republic of Lithuania on Whistleblower Protection¹ and Principles on Anonymous Reporting of Irregularities in PKN ORLEN S.A.

2. The purpose of the Rules is to encourage and enable employees of the Company and its subsidiaries to report, in good faith, the attempted corrupt practices, suspected or actual corruption as well as infringements or weaknesses of the system for management of anti-corruption activities, by notifying the employees performing the function of anti-corruption coordinator, who (Director of Control and Security in case of the Company) shall consult whistleblowers and provide information on how to act in case of any suspicions or a situation which might involve the corrupt practices.

II. TERMS & DEFINITIONS

Anonymous Irregularities Reporting System (hereinafter, the AIRS) shall mean the irregularities reporting system using the information obtained from whistleblowers (maintaining confidentiality).

Retaliation shall mean the revenge actions understood as transfer to a lower position, termination, suspension in duties, threats, bullying or other forms of discrimination against an employee who reports an irregularity.

Whistleblower shall mean a person who exposes any kind of information on irregularities to the Company with which it has or had a contractual or labor relationship (advisory, contracting, training, volunteering, etc.) and is able to report such irregularities using the communication instruments indicated in Section 3 of the Rules.

III. GENERAL PROVISIONS

Construction of Irregularities Reporting System

3. **Irregularities Reporting System** (hereinafter, the System) comprises of AIRS with its main task being to enable employees of the Company or its subsidiaries or any third parties to inform, on voluntary basis, about significant irregularities (whether expressly noticeable or such to the occurrence of which there is a justified suspicion) which lead or may lead to infringements of legislative rules or internal regulations of the Company or its subsidiaries, or which expose or may expose the Company or its subsidiaries to a risk of harm/damage.

¹ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/3832a702d8ea11e782d4fd2c44cc67af?jfwid=-1deuyji1xl>

Information on Irregularities

4. Irregularities which may be reported through the System channels include the following:

- a) **venality**;
- b) **bribery**;
- c) **passive trading in influence**;
- d) **active trading in influence**;
- e) **manipulations in tenders within the meaning of the anti-corruption policy**;
- f) **deceit** – an illegal practice (in breach of the generally binding legislative rules and internal regulations of the Company) committed by persons or organizations in the territory or on behalf of the Company or its subsidiaries and characterized by deliberate misleading, concealing the truth or violating of confidentiality undertakings in order to:
 - obtain advantages;
 - avoid payments or lose a benefit or obtain a benefit;
 - secure personal advantages or benefit for the interests of a company.The most popular cases of deceit include:
 - misappropriation of pecuniary assets (theft, fraudulent expenditure, concealment of revenue);
 - misappropriation of non-pecuniary assets (theft, improper use);
 - false information or certification of untruth (both financial and non-financial).
- g) **Mobbing** – actions or behavior pertaining to or directed against a staff member and consisting in persistent and prolonged bullying or intimidation of an employee and having an adverse effect on self-perceived professional suitability, causing or aimed to humiliate or ridicule the employee and to isolate him/her or eliminate him/her from the team of co-workers;
- h) **Molestation** – one of the forms of discrimination, i.e. any unwanted behavior with the purpose or effect of violating the dignity of a staff member and of creating an intimidating, hostile, degrading, humiliating or offensive atmosphere towards him/her;
- i) **Sexual harassment** – any unacceptable behavior of a sexual nature or referring to a staff member's sex, with the purpose or effect of violating the dignity or degrading or humiliating an employee, including physical, verbal or non-verbal conduct;
- j) **Stalking** – persistent, malicious harassment which may give rise to the feeling of danger. Stalking is frequently related to offence and insult, destruction of property, violence. Examples of such behavior include following a victim, his/her encirclement (e.g. through constant visits, telephone calls, SMSs, electronic mail, gifts) and constant, repetitive pestering;
- k) **Discrimination** – a form of social exclusion, manifesting itself through treatment of a given person less favorably than another one in a comparable situation due to some feature (e.g. sex, sexual orientation, age, disability, religion or beliefs, or ethnic origin or racial origin);
- l) **Failure to fulfill obligations** in the context of prevention of money laundering and terrorist financing shall mean actual or potential infringement of the provisions of Law of the Republic of Lithuania on the Prevention of Money Laundering and Terrorist Financing² as well as provisions effective in ORLEN Group Companies on counteraction of money laundering and terrorist financing;
- m) **Other irregularities** which include *inter alia* improper behavior in a workplace or in connection with the functions performed for the benefit of the Company or its subsidiaries, and related among others, with addiction (to alcohol, narcotics, gambling and other) and issues associated with safety & security of people and property, as well as other infringements not included herein though set forth in Law of the Republic of Lithuania on Whistleblower Protection;

² <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.41300/asr>

Communication Instruments

5. Reporting procedure within the AIRS:

- a) **traditional form:** sending letters to the address which ensures anonymity:

Control and Security Department
Public Company ORLEN Lietuva
Mažeikių str. 75
Juodeikiai Village
89467 Mažeikiai Distr. Municipality
Lithuania

or:

Attn.: Director of Control and Security
Public Company ORLEN Lietuva
Mažeikių str. 75
Juodeikiai Village
89467 Mažeikiai Distr. Municipality
Lithuania
'TO BE DELIVERED IN PERSON'

- b) **by e-mail** anonim@orlenlietuva.lt (information to be received by a responsible employee of Control and Security Department) using the form available on the Intranet at: <http://mnintranet/?pid=1229>.

c) **by phone:** conversation with a designated employee of Control and Security Department (maintaining anonymity) **+370-443-92723** on each business day during workhours **from 8:00 AM to 3:00 PM**, or toll-free hotline +370-800-90008 operating 24 hours a day, 7 days a week, all notifications being completely anonymous, with a whistleblower's phone number not known.

d) **contacting Director of Control and Security at +370-443-92211 on workdays from 8:00 AM to 3:00 PM;**

e) **using correspondence drop-in boxes designated as 'Anonymous Irregularities Reporting System (AIRS)'** and located at the main administrative building, entrance to the production territory, at the administrative buildings of the main operational units. Anonymity is guaranteed since the drop-in boxes are outside the video surveillance zone.

6. With regard to those subsidiaries of the Company which have no organizational units in charge of control and security, decisions on handling of notifications through the AIRS and on protection of whistleblowers' anonymity shall be made by a person who manages the organizational unit in charge of security in a relevant subsidiary of the Company.

Notifications

7. Irregularities reporting procedure with the use of the whistleblower institution, maintaining of confidentiality:

a) A whistleblower who reports an irregularity through the internal channels is required to be convinced of the truth of the facts reported; however a whistleblower is not obliged to assess whether a specific infringement reported by him/her satisfies the characteristics of the offences or other infringements of the law as defined by the relevant legislation.

b) A whistleblower who reports an irregularity within the System indicated herein and needs/wants to be protected must disclose to a responsible person his/her identity and position as well as the organizational unit in which he/she is employed, or indicate the contractual relationship with the Company (advisory, contracting, training, volunteering, etc.). Anonymity of a whistleblower shall be completely ensured at all times. The Company shall take all necessary measures to

protect a whistleblower against any negative consequences that may arise in connection to the reporting of irregularities;

c) Any and all facts, events, actions and correspondence in relation to the reporting of an irregularity as well as identity of persons related or potentially related to a given case and facts pertaining to the notification itself shall be considered as confidential and used according to the needs connected with a relevant verification. Relevant organizational units of the Company shall take all necessary actions to ensure confidentiality. With regard to a justified notification, Director of Control and Security of the Company shall assign the verification to be carried out by a subordinate employee with appropriate remedial actions to be taken. A person who reports an irregularity shall obtain, as soon as possible, information about results of the verification in the manner agreed with such person. If based on a notification and as a result of the verification further actions are not taken, an employee who conducts the verification shall be responsible for destruction of associated documents in a manner ensuring protection of a whistleblower's identity.

8. Ensuring protection against potential retaliation. Revenge actions on the part of anyone, regardless of the function performed by him/her, occupied post or his/her authorities, taken up against a staff member who in good faith and based on the present Rules will report an irregularity are incompatible with the Company's values and provisions of the applicable legislation. Any employee in breach of the obligation on the prohibition of revenge actions shall be subject to disciplinary measures.

IV. FINAL PROVISIONS

9. Director of Control and Security of the Company shall be responsible for arranging preparation of detailed internal procedures related to the System functioning, and update of such procedures, if necessary.

10. Anonymity in the System is guaranteed through compliance with the applicable legislation and the requirements set forth by these Rules.

11. Detailed principles on reporting within the scope of failure to fulfil obligations with regard to prevention of money laundering practices and financing of terrorism, including obligations of a reporting person and the information recipients as well as subsequent actions, are specified by instructions on prevention of money laundering practices and financing of terrorism binding for the entire ORLEN Group as well as the Company.

12. The Company shall inform PKN ORLEN S.A. Director of Control and Security Office by email on any irregularity notification no later than 14 business days following its receipt. The scope of the information provided shall not be in breach of the anonymity provisions set forth herein.

13. Information on the System is available on Intranet at: <http://mnintranet/?pid=1229>.