



PATVIRTINTA
Akcinės bendrovės „Klaipėdos nafta“
Generalinis direktorius
Darius Šilenskis
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GIFT POLICY

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VERSION 2

DOVANŲ POLITIKA

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Document prepared by:

Darius Bručkus, Corporate Security Manager

I. PURPOSE

- 1.1. AB "Klaipėdos nafta" (hereinafter – KN) Gift Policy (hereinafter – *Policy*) establishes the rules for the practice of accepting and/or providing corporate gifts.
- 1.2. The *Policy* elaborates on the implementation of KN employees' Anti-Bribery and Anti-Corruption Policy and regulates the appropriate acceptance of gifts from existing and potential business partners, customers and suppliers, the appropriate provision of gifts to existing and potential business partners, customers and suppliers, and the procedure for declaring and registering gifts, except cases where normative legal acts prohibit accepting and giving gifts.

II. SCOPE OF APPLICATION

- 2.1. The *Policy* applies to all KN employees working under employment contracts, including interns, as well as persons representing KN on other legal grounds (hereinafter – *Employees*), as well as to interested parties, including KN's business partners, who cooperate with KN in performance of their business activities or carries out activities on behalf of KN.
- 2.2. This *Policy*, along with the other KN internal legal acts, is part of KN's anti-corruption system.

III. REFERENCES

- 3.1. The Policy requirements are implemented in accordance with the following legal acts of the Republic of Lithuania and documents regulating KN activities (with the subsequent amendments):

[Guidelines on the processing of personal data](#) GAI010- regulate the processing and legal protection of personal data at KN, as well as purposes and measures of personal data processing.

[Personal Data Privacy Policy POL013](#) - regulates the procedure of processing personal data at KN.

[The Law on the Reconciliation of Public and Private Interests of the Republic of Lithuania](#) - provides conditions for disclosing the private interests of persons working in the public service and persons treated as such by the law (all together hereinafter – declaring persons), to ensure that public interests are prioritized when making decisions, to prevent conflicts of interest, and spread corruption.

[The Law on Prevention of Corruption of the Republic of Lithuania](#) - defines main principles, goals and objectives of corruption prevention in the public service and in the private sector, measures of corruption prevention and their legal bases, subjects of corruption prevention and their rights and duties in the area.

[Code of Conduct POL012](#) - defines the fundamental principles of the behavior of KN Employees with the others, what are the responsibilities of Employees and managers, how values must be followed, how business is conducted and KN assets are protected, and how the identified violations must be handled.

[Law of the Republic of Lithuania on the Legal Protection of Personal Data](#), Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons in the processing of personal data and on the free movement of such data and which repeals Directive 95/46/EC ([General Data Protection Regulation](#)), other related legal acts and instructions, guidelines and recommendations of controlling authorities.

[The Procedure for Reporting, Investigating and Informing Persons about Possible Infringements](#) PRC011- defines the procedure for receiving, investigating reports about possible infringements relating to corruption, abuse, fraud, non-compliance with the KN Code of Conduct, negligence, omissions and other types of violations, as well as information provision to the persons who submitted reports about the progress of the investigation.

[Anti-Bribery and Anti-Corruption Policy POL003](#) - establishes the fundamental principles and requirements of KN corruption prevention and defines the fundamental guidelines for their compliance.

[Policy of the Management of Private Interest POL018](#) - determines the principles and measures for the conflict prevention of public and private interests of KN and the Company Group, and the management of interest to ensure the proper functioning of the interest conflict prevention system, to create an adverse environment to corruption, and to increase trust in the activities of the KN Company Group.

[Procedure of Declaring Private Interests and Managing Conflict of Interest PRC029](#) - defines the requirements for the declaration of private interests by *Interested Persons*, regulates the control of the data provided and the management of conflicts of interest of KN and the process of declaration of private interests.

[Rules of procedure](#) - define the work procedure, determine the basic rights and duties of KN employees and the Employer, responsibilities related to labor relations in KN, as well we work and rest regime.

IV. TERMS AND ABBREVIATIONS

4.1. Terms and abbreviations used in the *Policy*:

Responsible person – KN Corporate Security Manager.

Gift – material or other personal benefits (hospitality gifts, services, privileges, discounts, gifts intended for consumption, etc.) to which the *Employee* does not have a private right and which gives him/her a better material or non-material position. Benefits received by third parties, such as relatives, are also considered as *Gifts*.

Gift acceptance – and/or indirect acceptance of *Gifts*, promise or agreement to accept a *Gifts*.

Conflict of interests – a situation when an *Employee* must make a decision related to his private interests or participate in making it during the performance of duties or carrying out an assignment.

KN representatives – consultants, members of collegial bodies, members of committees formed by collegial bodies, etc.

Favor – any kind of economic benefit that satisfies a consumer's needs but does not have a material form. It cannot be saved, so it is usually consumed upon receipt.

Event – representative, educational, sports, artistic or other organized gatherings in which *Employees* participate.

International protocol – the set of universally recognized rules and traditions established by custom, which must be complied with in the creation and development of harmonious relations between states and their official representatives.

The rule of Tacit Consent – cases when the consent of the direct manager is not required for the *Employee* to accept or provide gifts.

Traditions – the behavior of a society or its group formed over a long period of time on a state or national scale, which has a symbolic meaning or a special significance.

Hospitality gifts – food and drinks, which are paid by the inviting party during the meeting, reception, conference and other event.

Business partner – a natural, legal person or any other entity that supplies products, provides services or performs work to KN, as well as the business partner's partners, suppliers, subcontractors.

4.2. Other terms used in the *Policy* are perceived as they are defined in the Law on Prevention of Corruption of the Republic of Lithuania, the Criminal Code of the Republic of Lithuania, the Law on the Coordination of Public and Private Interests of the Republic of Lithuania (hereinafter - the Law), the Civil Code of the Republic of Lithuania, the Anti-Bribery and Anti-Corruption Policy of KN, the KN's Standard of Conduct and other legal acts.

V. FUNDAMENTAL PRINCIPLES AND OBLIGATIONS

FUNDAMENTAL PRINCIPLES AND OBLIGATIONS

When deciding whether to accept a *Gift*, KN is guided by the four fundamental principles specified in the recommendations of the Organization for Economic Co-operation and Development (OECD):

Sincerity. Is the gift genuine, given out of gratitude for fulfilling my role as a representative of the public sector and not because I solicited or encouraged gift provision?

Independence. If I accept the provided gift, would a reasonable person question my independence in the future employment, especially if the person providing the gift is related with a decision I may make?

Freedom. If I accept the provided gift, will I be free of any obligation to repay the gift giver or their family, friends or associates in any way?

Transparency. Am I ready to transparently declare this gift and its source to my institution and its clients, my colleagues, the media and the public at large?

If the answer to at least one of the aforementioned questions is negative, the gift must be refused.

GIFT ACCEPTANCE AND / OR PROVISION

5.1. When performing the assigned functions, *Employees* do not have the right to directly or indirectly accept or provide *Gifts*, except for the exceptions established in this *Policy* and other legal acts.

5.2. The *Employees* may accept and provide *Gifts* that are accepted or provided in accordance with:

5.2.1. International protocol.

5.2.2. Traditions:

5.2.2.1. *Gifts* accepted or provided to colleagues in the ordinary course of business during the holidays (e.g. flowers, cards, chocolates, etc.).

5.2.2.2. *Hospitality gifts*, when *Employees* participate in KN's internal events (e.g. KN's annual celebrations, official receptions).

5.2.2.3. invitations of third parties/partners to cultural, economic and other events aimed at establishing contacts and/or strengthening cooperation based on the interests of KN.

5.2.3. Representative *Gifts* with state, company or other symbols accepted or provided during the events (e.g. *calendars, books, other informational publications, etc.*).

5.2.4. Services that are used for work purposes (*participation in events, seminars, conferences, if it is related to the maintenance or expansion of business relations or the promotion of KN's services, brand awareness or image enhancement*).

5.3. *Gifts* when *Employees* participate in KN's internal events and *Gifts* provided to colleagues in the course of normal activities on the occasion of holidays are neither evaluated, nor registered.

5.4. If the *Employee* who accepts a *Gift* suspects its value to exceed 150 euros, he/she must immediately, but no later than within 3 working days, fill out the Gift Notification form in the document management system (DLX) and transfer the *Gift* to the *Responsible Person* for evaluation. If the evaluation proves that the value of the *Gift* is less than 150 euros, the *Gift* is considered the property of the person who received it.

5.5. Each *Gift*, the value of which exceeds 150 euros, becomes the property of KN. Such *Gift* is registered, evaluated and accounted for by *KN's accepted and/or provided Gifts in accordance with International protocol or traditions, as well as the transfer, evaluation, registration, storage and display of gifts intended for representation according to the procedure specified in the instructions*. KN decides how to use such *Gifts* for other purposes and, if necessary, to destroy them.

5.6. Receiving regular *Gifts* from a single person is not tolerated in KN. Employees should avoid receiving regular *Gifts* from a single person and, respectively, give regular *Gifts* to the same person. Employees who encounter such a situation must immediately inform the *Responsible Person*.

GIFTS PROHIBITED FROM ACCEPTING / PROVIDING

5.7. *Employees* must avoid any potential conflict of interest or the possibility of it that may result from accepting or providing a *Gift*. The companies management must set an example for *Employees* by their own behavior. If the provision of *Gifts* causes a conflict of interest or the possibility of such conflict to arise, such *Gift* should be politely refused.

5.8. *Employees* are prohibited from accepting or providing *Gifts* that may cause moral or other kind of obligation, which may influence negotiations, purchases, conclusion of transactions or otherwise influence decisions or cause doubts about the objectivity and impartiality of these decisions.

5.9. When cooperating with third parties or business partners, the acceptance or provision of cash, checks, coupons and similar *Gifts* expressed in property value, regardless of their amount, must be avoided in all cases.

5.10. *Employees*, encountering a possible bribery case, must immediately inform the *Responsible Person* and take measures to record the circumstances of the incident.

INFORMATION REGARDING THE ACCEPTANCE AND / OR PROVISION OF GIFTS

5.11. When *Employees* accept or provide *Gifts*, the rule of *Tacit Consent* applies, except for *Gifts* specified in 5.2.2.3. subsection.

5.12. According to the rule of *Tacit Consent*, the *Employee* who accepts or provides a *Gift* the value of which exceeds 150 euros must complete the notification about the *Gift* as explained in 5.4 subsection.

5.13. The rule of *Tacit Consent* does not apply:

5.13.1. for *Gifts* specified in 5.2.2.3. in subsection.

5.13.2. for invitations to events (e.g. *conferences, seminars, trainings*) related to the official activities of *Employees*, when all or part of the costs of the event are not covered by KN.

5.13.3. if the *Employee* has doubts about the value of the accepted *Gifts* or the purpose of their provision.

5.14. In case of non-application of the *Tacit Consent* rule, the *Employee* must inform the direct manager and/or the *Responsible Person* before accepting and/or providing a *Gift* by filling out the *Gift* notification form at DLX, which is submitted to the *Employee's* direct manager and the *Responsible Person*, who must provide the *Employee* with written recommendations or a decision on acceptance and provision of the relevant *Gift*.

5.15. If, for any reason, it is not possible to inform the direct manager and the *Responsible Person* in advance about the acceptance or provision of the *Gift*, the *Employee* shall complete the specified Gift notification form DLX about the acceptance or provision of the *Gift* as explained in 5.4 subsection no later than within 3 working days, which is submitted to the direct manager and *Responsible Person* requesting recommendations on how to deal with the *Gift*.

5.16. Consent to accept or provide a *Gift* is rejected if there is a risk that accepting or providing a *Gift* may harm the objective and impartial performance of the *Employee's* duties or may create the impression that he is being bribed.

5.17. In case of rejection to issue consent to accept a *Gift*, the *Gift* is returned to the *Gift* giver in accordance with the procedure established in the *Instructions for the transfer, evaluation, registration, storage and display of KN's Gifts accepted and/or provided in accordance with the International protocol or traditions, as well as Gifts intended for representation*.

COVERING THE BUSINESS TRIP EXPENSES OF PARTNERS, CUSTOMERS AND OTHER THIRD PARTIES

5.18. When *Employees* participate in events organized by business partners, clients and other third parties (*exhibitions, conferences, trainings, meetings, etc.*), their business trips are formalized and the expenses related to the business trips are paid in accordance with the KN's internal legal acts and other documents regulating the procedure for covering the expenses of business trips.

5.19. Covering the expenses of the *Employee's* business trip (*in whole or in part*) at the expense of KN's business partners, clients and other third parties (*except for invitations from official authorities, organizations, and institutions of Lithuania or foreign countries, cases when the expenses of the business trip are paid from the European Union and/or other international financial aid-financed project funds*) is allowed only in cases where the trip is related to KN activities and it is clear that there is no Conflict of interest or its possibility. Such business trip must be coordinated in accordance with the procedure established by the internal legal acts of KN.

5.20. Business trip expenses, including accommodation expenses, must be proportionate and adequate to the purpose of the business trip.

DELEGATIONS

5.21. Visits by KN delegations must have a legitimate and objective purpose. Official travels, visit programs may have an entertaining part (*evening event, cultural program, etc.*). *Employees* must carefully consider whether participation in the entertaining part provides benefits to the organizer, the participant and whether those benefits are acceptable, as well as whether the costs of the entertaining part are proportionate and adequate to the purpose of the trip or visit.

5.22. *Employees* must avoid personal benefits when participating in delegations.

5.22. If the *Employee* receives *Gifts* during a delegation trip or visit, he/she must act in accordance with this *Policy*.

DISCOUNTS

5.23. The acceptance (granting) of discounts is permissible when the accepted (granted) discounts are available to all users or a larger, precisely defined group of people in the same amount and in the same scope, and the acceptance (granting) of such discounts does not cause a Conflict of interest or its possibility.

5.24. *Employees* must avoid accepting (granting) private discounts, if a private discount is possibly granted taking into account a specific business relationship or transaction between KN and the discount

provider, as well as in cases where the discount is granted exclusively to one person or a small group of *Employees*.

5.25. The *Employee* must register in the Gift Journal the accepted or granted discount referred to in the subsection 5.24, and in case of doubt regarding the acceptance or granting of discounts, request for a written recommendations of the *Responsible Person*.

PRIVATE INTERESTS

5.26. In cases where the *Employee* has other private work activities, maintains personal relations with KN's clients, business partners, or other related persons, he/she must always inform the *Responsible person*, declare private interests in accordance with the procedure established by KN, so that such cases do not create the impression of a *Gift*.

GIFT JOURNAL

5.27. Information about each accepted, provided or refused *Gift* the value of which exceeds 150 Euros is registered in the document management system (DLX).

5.28. Information is stored for 3 years from the date of the last record of a specific *Gift*. After the storage period expires, the *Responsible Person* immediately deletes the record about the *Gift*.

5.29. The *Responsible person* must advise *Employees* on the issues of providing and accepting *Gifts*.

VI. POLICY IMPLEMENTATION AND CONTROL

6.1. *Employees* must familiarize themselves with the *Policy* and comply with the requirements set out in it.

6.2. The *Policy* is published on the KN website.

6.3. Violation of the *Policy* requirements is deemed as an improper performance of duties, for which liability provided for in the internal legal acts of KN and the legal acts of the Republic of Lithuania is applicable.

6.4. The provisions of this *Policy* apply to the extent that these legal relations are not regulated by the laws and other legal acts of the Republic of Lithuania.

6.5. The *Policy* is approved, changed or recognized as invalid by the CEO of KN.

6.6. The Corporate Security Manager is responsible for reviewing and updating the *Policy*.

6.7. The *Policy* is reviewed and updated upon legislation changes or when needed, but at least once every 3 (three) years.