



Version: 3
Approved by the Board of
AUGA group, AB on 10
February 2022

POLICY ON PREVENTION OF CORRUPTION AND CONFLICTS OF INTEREST

1. GENERAL PROVISIONS

- 1.1. This Policy on prevention of corruption and conflicts of interest (**the Policy**) applies to all employees, members of management of AUGA group, AB (**the Company**) and its subsidiaries (**the Group**) and persons acting in the interests of AUGA group on the basis of services, advice or other agreements (**the Employees**).
- 1.2. The Group aim to ensure that its performance and behavior comply with the highest standards of reliability, integrity, transparency and business ethics, and that the risks of corruption and conflicts of interest in the Group are assessed, managed and minimized.
- 1.3. Purpose of the Policy is to establish general provisions and principles for the prevention of corruption and conflicts of interest, management of interest of AUGA group, as well as the main guidelines for their implementation and resolution of potential conflicts of interest.
- 1.4. The Policy has been prepared in accordance with the recommendations of the Anti-Corruption Handbook¹ for Business by the Special Investigation Service of the Republic of Lithuania.
- 1.5. The definitions used in this Policy shall have the following meanings:
 - (a) **Bribe** – any offering, giving, permission to give, request, acceptance or receipt, expressed in the form of any material or other personal benefit to himself / herself or another person (material or non-material, having economic value on the market or not having such value), for a desired lawful or unlawful act or omission of a person in the exercise of his / her powers.
 - (b) **Close person** – Employee's spouse, cohabitee, parents (adoptive parents), children (adoptees), brothers (stepbrothers), sisters (stepsisters), grandparents, grandchildren and their spouses, cohabitees, as well as a legal entity where the Employee or the persons referred to above are members of the management or supervisory body or directly or indirectly control at least 50 % of the capital or votes at the meeting of the participants of the legal entity concerned, or with whom the Employee or any of the persons referred to above have a relationship based on the pursuit of common objectives or the pursuit of joint activities.
 - (c) **Conflict of interest** – a situation when Employees have to choose between the performance of their duties and / or performance of delegated functions to the maximum benefit of AUGA group companies and private Interest of their own or a Close person.
 - (d) **Corruption** – an abuse of the power entrusted by AUGA group in order to gain the personal benefit for himself / herself or another person. Corruption also includes all corruption- related offences as defined in the applicable legal acts of the Republic of Lithuania.
 - (e) **Gift** – any item, service, or other benefit of any value (such as items, money, drinks, tickets, services, travels, etc.).
 - (f) **Interest** – material or non-material interest that may affect the performance of delegated duties, decisions being executed, tasks being performed or other actions being performed.

¹ Access through the Internet: <https://www.stt.lt/doclib/kcwv6ed9sbemu4rvaudt786zqgbmzk9f>

- (g) **Support** – a voluntary and unremunerated provision of support items by AUGA group with the exception of the recipient's obligations permitted under the Article 8 of the Law on Charity and Sponsorship of the Republic of Lithuania.

2. PROHIBITION OF CORRUPTION AND BRIBERY

- 2.1. The Group does not tolerate Corruption in any form and provision / receipt of a Bribe and undertakes to take preventive measures in order to prevent the manifestation of Corruption and fight with it
- 2.2. Having noticed signs of Corruption in the Group or having received a request to offer or offer to accept a Bribe, the Employee must immediately inform his / her direct manager and the Head of the Legal Department of Company.

3. POLICY OF GIFTS AND REPRESENTATION

- 3.1. The Group accepts and provides only gifts and hospitality that do not go beyond normal business relations and transparency standards. The Group does not tolerate any gifts, payments or hospitality that encourage or reward the decision or are intended to gain benevolence or exclusive appreciation in any activities related to the Group. In order to assess whether gifts and hospitality are accepted, the Employee must assess each offer in accordance with the questionnaire provided in the Annex No. 1.
- 3.2. Employees are required not to solicit Gifts directly or indirectly in connection with their duties in the Group from third persons. Gifts or corporate hospitality must be offered or accepted only if it is done in accordance with the legislation and Policy.
- 3.3. The Employee cannot accept or give the Gifts if this may cause the Conflict of interest. This restriction does not apply to the Employees who have received Gifts in accordance with international protocol or traditions customarily associated with the Employee's duties, as well as with Gifts for representation (companies', organizations', institutions' and other symbolism, calendars, books and other informative prints), of a value not exceeding 30 euros. If the value of the specified Gift exceeds 30 euros, this Gift shall be considered as the property of the Group and its receipt shall be notified to the Head of HR Department of the Company, who shall indicate in each case to whom to transfer such Gift, or, if he/she received the Gift – to the CEO of the Company.
- 3.4. In any case, the Employees are prohibited from accepting or giving Gifts in monetary terms, including gift cheques, gift vouchers and etc.
- 3.5. Invitations to paid events and entertainment may only be accepted by the Employees if it is related with the business reasons or if the Employees contribute to the organization of such events (for example, participating as speakers), however, in this case, the Employee shall assess the effect of such gift in accordance with the questionnaire provided in the Annex No. 1. Related costs of travel or accommodation shall be paid by the Group. However, the Employees should refuse invitations to catering facilities or entertainment that are too frequent to avoid complications or losing objectivity in the performance of the activities of the Group. If it is disrespectful to refuse an invitation, the Employee may accept it, agreeing that he / she will be allowed to respond the same or to pay by himself / herself / at the expense of the Group.
- 3.6. The Employees are expected that before accepting any gifts or attending events they assess whether such actions are intended to have an unlawful impact, whether the issues in question and attendance at events will have a negative impact on the image or reputation of the Group. In case of doubt as to the value of the Gift or the purpose of its giving, the Employee should seek consultation from his / her direct manager or Head of HR Department of the Company regarding the acceptance or return of the Gift.
- 3.7. Except in exceptional cases, where the CEO of the Company decides otherwise, any form of Gifts to officials of Lithuania or foreign states, employees of municipalities and their subordinate authorities, auditors and so forth, shall be prohibited in the Group in order to avoid any preconditions for doubts about the transparency and integrity of the activities of the Group.

- 3.8. In order to improve image, reputation, openness of the Group and to contribute to social initiatives, Group's position may be represented through associations or other similar unifications whose purpose is to represent their interests, but in all cases without prejudice to the objectives of the activities of the Group, the requirements of existing legislation, avoiding incompatibility with the provisions of the Policy.

4. NEPOTISM AND CRONICISM

- 4.1. Any patronage of Close persons, relatives, friends and other related persons of the Employee, as well as any relationship of direct subordination or control of such persons are not tolerated in the Group. The Employees shall be selected in a non-discriminatory, transparent and fair manner, on the basis of their competences and according to legislation.

5. PROVISION OF THE SUPPORT

- 5.1. The Group does not tolerate any form of influence, whether direct or indirect, against politicians or political parties, nor does it sponsor or otherwise support politicians and political parties, their representatives and their candidates and election campaigns.
- 5.2. Dėl paramos teikimo sprendimą priima Bendrovės Generalinis direktorius. Prieš priimdamas tokį sprendimą jis turėtų konsultuotis su Bendrovės Teisės Departamento vadovu siekiant įsitikinti, kad labdaros ar paramos gavėjai nėra kaip nors susiję su politikais, valdžios atstovais ir kitais subjektais, turinčiais įgaliojimus priimti sprendimus dėl Grupės interesų. The decision to grant support shall be made by the CEO of the Company. Before making such a decision, he / she should consult with the Head of the Legal Department of the Company in order to ensure that the recipients of the charity or support are not in any way related to politicians, authority representatives or other entities having the authorization to make decisions on the interests of the Group.
- 5.3. The support provided shall be publicly available on the Company website.

6. CONFLICT OF INTEREST

- 6.1. The Employees must avoid Conflicts of interest and behave in such a way that there is no doubt that such conflicts exist. Business transactions must be conducted in the best interests of the Group.
- 6.2. The Employee is prohibited from participating in deliberations or adoption of decisions that cause or may cause a Conflict of interest. Prior to the commencement of the procedure for the preparation, consideration or adoption of such a decision or during the procedure itself, the Employee must inform his / her direct manager (in the case of managers of subsidiaries – the CEO of the Company) and persons involved in the procedure about the existing Conflict of interest, withdraw himself / herself and not participate in any way in the further preparation, deliberation or adoption of the decision.
- 6.3. Participation in any legal form (including investment in such an entity or any financial interest from such an entity) in the activities of another entity competing with the Group must be notified in writing by the Employee to his direct manager and Head of HR Department of the Company.

7. ASSET PURCHASE AND SALE

- 7.1. The Group conducts all buying and selling procedures in the maximum fair and transparent manner in accordance with the legislation. In cases where the activities and conduct of representatives of third parties are found to be in breach of the provisions of the Policy, the Group shall have the right to take actions, including termination of contractual obligations.
- 7.2. Assets belonging to AUGA group by the right of ownership shall not be sold to the Employees or Close persons without the prior written permission of the CEO of the Company.
- 7.3. Assets belonging to AUGA group by the right of ownership shall not be sold to CEO of the Company without the prior written permission of the Board of the Company.

8. IMPLEMENTATION OF THE POLICY AND CONTROL OF THE IMPLEMENTATION

- 8.1. The Policy shall be made publicly available on Company's website so that each business partner, service providers, consultants of the Group and other third parties with whom the representatives of the Group deal and the person acting on their behalf, could get familiar and comply with.
- 8.2. The managers of each structural division and subsidiary of the Group are responsible for familiarizing Employees subordinated to them and accountable persons with the Policy.
- 8.3. The Group shall provide conditions for notifying violations of the Policy and receiving required information connected with implementation of the Policy by e-mailing to etika@auga.lt. The Group shall implement all measures to protect persons notifying violations of the Policy against any negative consequences: the e-mail address referred to above shall only be accessed by the head of the HR Department of the Company, who shall assume the obligation to not disclose the identity of notifying persons to any employees or other third parties.
- 8.4. All reports of potential violations must be properly investigated by individuals appointed by the Head of Legal Department of the Company. Disciplinary action shall be taken immediately if any non-compliance with the provisions of the Policy is detected, including temporary suspension from ongoing duties or termination of employment or termination of contract with a third party. If indications of a criminal offence are identified, AUGA group informs the competent law enforcement authorities.
- 8.5. The Head of Legal Department of the Company and the Chief Sustainability Officer of the Company shall collect summarised information about notices, inquiries and complaints received in the preceding calendar year according to this Policy and prepare a report to the Board of the Company on implementation of the Policy and the need to adjust it (if required) and provide it for consideration to the Board of the Company before the ordinary general meeting of shareholders of the Company of the respective year.

9. FINAL PROVISIONS

- 9.1. This Policy shall be approved and, where needed, amended by the Board of the Company.
- 9.2. Any person shall notify the possible need to adjust the Policy, explaining the need and its circumstances, to the Head of Legal Department of the Company, who, after considering the received notification and deciding that the adjustment would be recommended, shall make appropriate recommendations to the Board of the Company.
- 9.3. All current and new employees must familiarise themselves with the Policy and adhere to its requirements.
- 9.4. The Policy shall apply to the extent it is not in conflict with laws and/or other enforced legal acts of the Republic of Lithuania.

ANNEX NO. 1 TO THE POLICY ON PREVENTION OF CORRUPTION AND CONFLICTS OF INTEREST

The following questions should be answered before deciding whether or not to accept a gift:

1. Why is the gift being given and why is it being given to me? Is there anything expected in return for accepting gift?
2. Can the place, time or method of giving the gift call doubts on purposes of giving the gif?
3. Whether the value of the gift is not higher than would normally be expected from the relationship with the person giving the gift?
4. Are gifts not received too often?
5. What are the intentions of the person giving the gift (does he do it out of courtesy or respect, or maybe with the intention of influence future decisions in a self-positive way, or expressing gratitude, directly or indirectly, for present or past decisions)?
6. How the gift relates to the activities of the Group and whether I am an appropriate representative of the Group to accept it?
7. Is the person providing the gift not being treated ambiguously, allowing him to have the misconception that the gift (thanksgiving) is waited and expected from him?
8. Does accepting a gift not mean any possible obligations to the person giving the gif?
9. Will the fact of receiving (giving) the gift cause any discomfort or psychological discomfort if it becomes publicly known to everyone (colleagues, partners, media, general public)?