

APPROVED
by decision of the Board of Lietuvos
Energija, UAB dated April 18, 2014
(Minutes of the Meeting No. 20)

LIETUVOS ENERGIJA GROUP POLICY OF ZERO TOLERANCE FOR CORRUPTION

Objective: To define the general provisions and principles for Lietuvos Energija Group zero tolerance for corruption and basic guidelines for implementation thereof.

Application scope: To be applied to Lietuvos Energija Group companies.

CONTENTS

1. Concepts and abbreviations used in this Policy	1
2. General provisions	2
3. Principles of the Policy of Zero Tolerance for Corruption	2
4. Implementation of the Policy of Zero Tolerance for Corruption	4
5. Final provisions	5

1. Concepts and abbreviations used in this Policy

1.1. Concepts and/or abbreviations in this Policy shall have the following meanings:

Policy (ZTC Policy)	This Lietuvos Energija Group Policy of Zero Tolerance for Corruption.
Corruption	Corruption (lat. corruptio – "spoilage", "bribery") – abuse of entrusted powers seeking personal gain or for the benefit of others.
Lietuvos Energija (LE)	Lietuvos energija, UAB (legal entity code 301844044, registered office address: Žvejų g. 14, LT-09310 Vilnius, Lietuvos Respublika – Republic of Lithuania).
Group of Companies	Lietuvos Energija, UAB and legal entities directly or indirectly controlled by it.
Company	A company of the Company Group to which this Policy is applied.
Stakeholders	Various groups of citizens (physical or legal persons) or institutions which are or may be affected by the Group's activities.
Related persons	Spouses, cohabitants or partners, parents (adoptive parents), children

	brothers (half-brothers) and sisters (half-sisters), grandparents, their spouses, cohabitants or partners; grandchildren, their cohabitants or partners.
--	--

2. General provisions

- 2.1. Each employee of Lietuvos Energija Group is an influential and significant part of our Group of Companies which is providing services of national importance to the country's residents and business organizations. Our activities are based on the principles of transparency, openness and rationality. Therefore, each employee of the Group must be acquainted with this document, observe the ZTC provisions and principles.
- 2.2. Lietuvos Energija is conducting and developing its activities in a responsible manner. In its activities it is guided by The United Nations Global Compact, which envisages the application of 10 principles in activities.
The tenth principle of the Global Compact defines activities of business organizations in their fight against any manifestations of corruption, including extortion and bribery.
Key highlights of this Policy are as follows – Lietuvos Energija
- does not tolerate any forms of corruption, be it direct or indirect;
 - establishes the main principles of zero tolerance for corruption.
- 2.3. All employees of Lietuvos Energija Group must perform their work and functions in a conscientious and transparent manner.

3. Principles of the Policy of Zero Tolerance for Corruption

- 3.1. The most frequently occurring forms of corruption are bribery, abuse of office, trading in influence, protectionism, nepotism, tax evasion, and fraud.
Evaluating activity areas that are most vulnerable to corruption, Lietuvos Energija Group accepts and fulfills these commitments in the continued development and performance of its activities.

3.2. Bribes

- 3.2.1. Lietuvos Energija does not tolerate any forms of bribery. Bribery includes receiving, giving, offering, or promising any property or other personal benefit for its own sake or for the sake of other person, seeking to influence actions or decisions. Bribery can take different forms, ranging from cash, transferring it personally or to related persons, valuable gifts, travel, paying for entertainment, career opportunities, etc. Bribery is one of the corruption forms.
- 3.2.2. Extortion is not tolerated as well. Extortion is considered to constitute a threat to cause harm unless paid for the performance of duties.

3.3. Support of political parties

Lietuvos Energija and all companies of the Group refrain from any forms of influence – be it direct or indirect – on politicians and do not finance political parties, their representatives or candidates, election campaigns, funds established on behalf of politicians (or related persons), regardless of whether it is in Lithuania or in another country.

3.4. Support of other persons

Lietuvos Energija provides support on the basis of the Group's Support Policy. Lietuvos Energija has also established the National Lithuanian Electricity Association (NLEA), which represents the electricity sector's position in public and international organizations and has set for itself the aim of promoting active dialog with the public in the development of social initiatives in the sector.

3.5. Gifts and other benefits

- 3.5.1. Lietuvos Energija does not tolerate any gifts which can be considered as exceeding regular commercial practices and allows the assumption that it is a way of gaining favors or exceptional valuation in any activity areas associated with Lietuvos Energija.
- 3.5.2. First of all, Lietuvos Energija prohibits any form of gifts to Lithuanian or foreign officials (civil servants), auditors, municipal employees, etc. in order to avoid bias or obtaining any advantages. Officially used business gifts of Lietuvos Energija or a company of the Group to one person cannot exceed 250 litas (excl. VAT) and are intended for its brand and image building.
- 3.5.3. Company employees may only accept small value gifts or business souvenirs, the value of which cannot exceed 250 litas (excl. VAT).
- 3.5.4. If employees are visiting existing or potential suppliers or clients, participating in exhibitions, conferences, etc., their travel and accommodation expenses must be paid by the Group's company in which the employee is working (except cases when they participate in conferences of international non-profit organizations, are invited by authorities of another country or cases related to academic activities, and the participation is agreed with LE). When accepting an invitation, the employee must evaluate whether there is no intention to exert unlawful influence.
- 3.5.5. Lietuvos Energija Group employees must inform their line manager or Company employee in charge of Prevention functions about proposed or received gifts, with the exception of small value business souvenirs.
- 3.5.6. The provisions with respect to gifts or other benefits which are set forth in clauses 3.5.1 – 3.5.5 shall be in effect without any exceptions, even if it can sometimes be treated as normal business practice in other economic activity spheres and if it is related both to giving and to acceptance of gifts. In this case, the provision of additional benefits (e. g., exceptional discounts, paid vacation, job offer, etc.) is also understood to be a gift.

3.6. Nepotism

The Group does not tolerate any hiring, patronage or protection of family members, relatives or other related persons, as well as having such persons in relationships of direct subordination or control. Employees are selected fairly, based on their competencies and company requirements.

3.7. Abuse of office

Lietuvos Energija does not tolerate any abuse of functions. Work tools, financial and material resources provided by the company are used according to internal procedures of the company.

3.8. Trading in influence

Trading in influence is also not tolerated. Trading in influence is understood as unlawful actions using one's position, powers or other likely influence seeking to affect an institution,

organization, government employee, etc. so that they would lawfully or unlawfully act or fail to act in the execution of their powers. Unlawful lobbying is also not tolerated in the Group of Companies.

4. Implementation of the Policy of Zero Tolerance for Corruption

4.1. Third party relations

The Group of Companies aims to be a reliable partner for its contractors, suppliers and business partners. In our cooperation with contractors and suppliers we are guided by the principles of transparency and the fight against corruption. We recommend that responsible persons of our partners be acquainted with this Policy.

4.2. Consultants, agents and intermediaries

- 4.2.1. Any person acting as a Lietuvos Energija or a Company representative must sign under this Policy confirming that he or she has been acquainted with the ZTC Policy.
- 4.2.2. In cases, when it is established that the activities and behavior of agents, consultants or intermediaries are in violation of the ZTC Policy provisions, Lietuvos Energija shall have the right to take appropriate measures, up to and including termination of contractual obligations.

4.3. Purchasing

- 4.3.1. Lietuvos Energija and companies of the Group perform all purchase and sale procedures with maximum fairness and transparency.
- 4.3.2. Internal procedures cover the appropriate internal control mechanisms, in order to ensure a fair and transparent selection of suppliers and subsequent execution of contractual obligations.
- 4.3.3. In cases, when it is established that the activities and behavior of third party representatives are in violation of the ZTC Policy provisions, Lietuvos Energija shall have the right to take appropriate measures, up to and including termination of contractual obligations.

4.4. Reporting observed violations

- 4.4.1. All Lietuvos Energija Group employees must report any violations or suspected violations of ZTC Policy to the person in charge of prevention functions in the Company or by using the Trust Line, tel. +370 640 88889 or by e-mailing pasitikejimolinija@le.lt.
- 4.4.2. All other stakeholders are encouraged to send notifications about ZTC Policy violations or suspected violations using the Trust Line contacts specified on the www.le.lt website.
- 4.4.3. Lietuvos Energija guarantees that it will not disclose the identity of the person who submitted the notification.
- 4.4.4. All cases of ZTC Policy violations by employees will be made public by means of internal communications. In case of the existence of criminal activity signs, they will be reported to appropriate law enforcement institutions.

4.5. Communications

- 4.5.1. Employees of LE Group companies are acquainted with the ZTC Policy by means of internal communication.
- 4.5.2. All employees receive an electronic copy of the ZTC Policy.
- 4.5.3. The ZTC Policy constitutes an important element in the establishment of organizational culture and employee behavior norms.
- 4.5.4. The ZTC Policy is open to the public and is freely available on the www.le.lt website and on each Company's website individually.

5. Final provisions

- 5.1. All employees of Lietuvos Energija Group must make a commitment not to tolerate corruption.
- 5.2. All existing and newly hired employees must acknowledge that they have been acquainted with the ZTC Policy and will comply with its provisions.

5.3. Responsibility

Violation of the provisions of this Policy constitutes a gross violation of labor discipline. In cases of ZTC Policy violations employees will be held responsible in accordance with the procedure established in the laws of the Republic of Lithuania.

5.4. ZTC Policy implementation supervision and monitoring

The Prevention Service performs ZTC Policy implementation supervision and monitoring and presents periodic semi-annual reports to the LE CEO. Employees performing prevention functions in the Group's companies present ZTC Policy implementation reports to the head of the LE Prevention Service.

5.5. Social Responsibility reporting

Information on Zero Tolerance for Corruption Policy implementation initiatives is presented in the Social Responsibility reporting of LE and companies of the Group. Social Responsibility reporting may be audited by an independent external audit company.

- 5.6. The Policy, supplements and amendments thereto are approved by the Board of Lietuvos Energija.