

SBA GROUP'S CODE OF BUSINESS CONDUCT

CEO'S FOREWORD

The SBA Group and its companies, whether operating in Lithuania or abroad, abide by the local legislation, international human rights and employment legal norms, and the top anti-corruption and environmental standards.

However, we appreciate that precise compliance with the legislation and universally accepted requirements is not sufficient for one of the largest corporate groups in Lithuania. The conduct of our companies and their staff must be a benchmark for transparent, fair and responsible business culture, which could be followed by other organisations too.

Hence, this Code of Business Conduct (hereinafter the Code) sets forth ethical business and anti-corruption standards. We, a team of over 5,000 individuals working for the SBA companies, commit ourselves to respecting them. Our commitment covers the operations of the companies part of the SBA Group both in Lithuania and abroad.

We also urge our business partners in Lithuania and abroad to abide by the Code.

Arūnas Martinkevičius,
President of SBA

SCOPE OF APPLICATION OF THE CODE

The Code is applicable to all members of staff at the companies part of the UAB Concern SBA and managed by it (hereinafter collectively referred to as the companies part of the SBA Group or the SBA), whether operating in Lithuania or abroad, regardless of their positions, as well as members of collegiate management bodies, all representatives and authorised agents acting on behalf of the SBA Group or its individual companies.

When maintaining business relationships with the stakeholders (suppliers, contractors and other persons beyond the control of the companies part of the SBA Group), the afore-mentioned persons shall notify them of the provisions of the Code being applicable. It is recommended that all entities developing business relationships with the companies part of the SBA Group abide by these provisions. Where the activities and the conduct of agents, advisors or intermediaries are found to be in breach of the provisions of the Code, the companies part of the SBA Group shall have the right to take appropriate actions, including the termination of contractual relations in accordance with statutory procedures.

PRINCIPLES OF INTERNAL BUSINESS CULTURE

Employer's Liability and Obligations

People are the key part of the SBA Group's business culture.

The companies part of the SBA Group employ in excess of 5,000 employees that are united by their passion for winning, leadership of discoveries and a sense of ownership. The strength of the people at the SBA lies in their ability to combine different approaches and achieve team performance.

The companies part of the SBA Group aim to create the best possible conditions for career development, personal development and pursuit of personal ambitions. To implement these objectives, we adhere to the below principles at all stages of our contacts with the staff: starting from recruitment and selection and teamwork to friendly farewells in individual cases:

- • fair and ethical working relationships based on mutual respect;
- • ensuring safe and healthy working environment;
- • zero tolerance for humiliation, violence, harassment, sexual harassment, direct or indirect discrimination on the grounds of sex, race, nationality, citizenship, language, origin, social status, age, sexual orientation, disability, ethnicity, membership in a political party or association, religion, belief, convictions or views and on other grounds unrelated to professional qualities (more broadly defined in the Equality Policy approved by the companies part of the SBA Group);
- • merits based on achieved performance, professional and ethical conduct;
- • ensuring confidentiality, discretion and protection of personal data (more broadly defined in the Personal Data Processing Regulations approved by the companies part of the SBA Group);
- • providing opportunities for continuous professional development and development of supplementary skills.

The staff at the companies part of the SBA Group are encouraged to be actively involved in in-house training and continuous professional development programmes and inform their line managers about the need for special training programmes, e.g. internal work culture, anti-corruption, social responsibility, etc. When such a need is expressed, the company managers shall initiate the training programmes on the basis of the provisions of the in-house training policies.

Avoiding Conflicts of Interest

When undertaking their business assignments, all staff shall act in the legitimate business interests of the SBA Group and its individual companies: business decisions to be taken must rely on the pursuit of maximum benefits for the Group and its companies and must not be based on the pursuit of personal gains.

The staff may not engage in any work activities that would lead to a conflict between personal interests and the interests of the companies part of the SBA Group. In addition, they shall avoid contacts representing a conflict between the interests of their personal activities and the business interests of the companies part of the SBA Group.

In the event of a potential conflict of interest, a member of staff or a member of a collegiate management body shall declare, without delay, their interests to their line manager and take steps to eliminate the effects of such a conflict of interest on business decisions.

The staff may not use, for personal or other purposes unrelated with the Group's business interests, any of the Group's assets or business information acquired while working for the SBA Group.

Confidentiality Obligations

The communication and exchange of information between members of staff both within the SBA Group and in business relations with third parties shall be based on open communication and continuous sharing of knowledge and expertise, but shall not go beyond the limits of confidentiality.

All business information of the companies part of the SBA Group, which becomes known to a member of staff in the course of their duties, with the exception of general knowledge about business relations, shall be treated as confidential, including the information relating to the employees themselves as well as to the customers and suppliers of the companies.

All members of staff and members of corporate collegiate management bodies shall be bound by confidentiality obligations, except where disclosure of confidential information is required by the laws. The afore-mentioned persons must also make efforts to prevent a potential unauthorised disclosure or use of confidential information.

Giving and Receiving Gifts

The staff at the SBA shall not ask for, accept, offer or give any cash gifts to business partners and representatives of other third parties.

Promotional business gifts and hospitality services may only be accepted and gifted in accordance with the requirements of the applicable legislation and the standards of fair, transparent and ethical business partnerships, which are customary in international business practices. Gifts and services of any form shall be prohibited if they are aimed at gaining unfair advantage or bias in the decisions to be taken.

Before accepting or offering business gifts or hospitality services, the staff shall ascertain, pursuant to the criteria of reasonableness, that the objective of the above does not go beyond the afore-mentioned limits of ethical business practices. In the event of any minor doubt as regards the compliance of such cases with the mentioned requirements, a member of staff must consult their line managers and/or the Business Risk Department at UAB Concern SBA.

PRINCIPLES OF EXTERNAL BUSINESS CULTURE

In the course of their business, the companies part of the SBA Group shall take account of the stakeholder interests and shall endeavour to meet them as much as possible to the extent permitted by the business interests.

In terms of business conduct, the SBA Group shall apply equally high ethical standards to all external audiences and stakeholder groups.

For the purpose of creating and developing business relationships with customers, partners, suppliers, competitors, public authorities, the media and other third parties, we shall primarily follow the principles of transparent, fair and sustainable business as well as the standards of mutual respect, the protection of human rights and of confidential information, avoidance of conflicts of interest, and anti-corruption activities.

Relations with Public Authorities

Across all countries where the companies part of the SBA Group operate, we base our business on statutory and regulatory requirements, including but not limited to anti-corruption legislation.

We provide mandatory information to all supervisory authorities and we actively cooperate as regards the requests for additional information to be provided.

Acting in the business interests of the companies part of the SBA Group, we shall not offer bribes or make any other unlawful payments to the representatives of public authorities, including facilitation payments (low value informal payments). This commitment shall also cover the business of the companies part of the SBA Group abroad.

As part of the dialogue with public authorities, we shall follow the legislative requirements outlining lobbying with precision.

Accounting and Paying Taxes

Thanks to fair financial accounting, we calculate and pay all taxes on time pursuant to the legislative requirements and explanations provided by the tax authorities. Should there be any issues relating to the appropriate payment of taxes, we shall resolve them in a transparent and professional manner liaising with tax authorities.

The companies part of the SBA Group may not use any tax minimisation or optimisation schemes, the application of which may reasonably be treated by the supervisory authorities as unfair practices.

Neutral Stance in Political Processes

The companies part of the SBA Group shall not be involved, whether directly or indirectly, in the political processes of the countries of their operations and shall not provide financial and non-financial aid to political parties.

Respecting the afore-mentioned requirements concerning the non-discrimination of staff, we shall respect our employees' political views and shall not restrict their involvement in political activities.

However, the staff at the companies part of the SBA Group and members of collegiate management bodies may not use corporate resources for political purposes and may not provide aid to political parties on behalf of the companies, while their involvement in democratic political activities may not be linked to their job-related activities in the companies part of the SBA Group.

Relationship with Competitors

Following the values of the SBA Group, we shall be in quest of strong competitive advantage in our day-to-day operations and we shall strive to take the lead in our field and maintain this leadership. We shall compete across all markets where we operate in line with the applicable competition law. We shall not initiate any discussions or agreements where we see potential risks of distortion of fair competition and we shall not participate in such discussions initiated by other market players. Abiding by the principles of ethical competition, we shall collect and analyse information about the competitors' business in legitimate ways.

Relationship with the Community

Our social responsibility begins at home. So we encourage all staff at the companies part of the SBA Group to take responsibility for the care and maintenance of the environment which we operate in. We shall try to minimise the direct and indirect impact of our business on the environment beyond what is required by the mandatory legislation governing the environmental standards.

Our aim is to inspire, by example, the community to act: hearing to the voice of the community, we help grasp the problems, we offer relevant solutions to them and we get involved in their implementation. The companies part of the SBA Group, as business units, shall support community projects that are in line with our values and contribute to the socio-economic well-being of individual regions.

In addition, the Group's companies and their staff shall initiate social responsibility projects pertaining to the maintenance of the environment and the natural life, the preservation of unique traditions, the reduction of social exclusion, etc.

MONITORING

The responsibility for the application of and compliance with the provisions of the Code in each and every company part of the SBA Group shall be vested with its manager, who shall establish, at their discretion, an internal monitoring system in respect of the Code. This system shall include the procedure and the consistency of discussions with the staff on the issues concerning the implementation of the Code, knowledge testing or training on matters relating to the Code.

When undertaking the ongoing monitoring of the Code, but at least once per calendar year, the company managers shall submit proposals and comments on the improvement of the provisions to the Director of the Business Risk Department at UAB Concern SBA.

At least once a calendar year, the Director of the Business Risk Department at UAB Concern SBA shall submit proposals for the improvements of the Code or their implementation arrangements to the board of UAB Concern SBA, which shall make the relevant decisions.

MONITORING OF VIOLATIONS

If the staff at the companies part of the SBA Group notice an alleged violation of the provisions of the Code, they shall take measures to prevent the violation and inform those responsible of such violations.

To promote open working environment based on trust and mutual respect, it is recommended that violations first be reported to the line manager. However, if this method of whistleblowing does not ensure the level of confidentiality desired by the whistleblower or the whistleblower wishes to maintain anonymity, they may use the anonymous notification system in place to send an anonymous email at pasitikėjimolinija@sba.lt.

All persons reporting any alleged violations of the Code (hereinafter the whistleblowers) shall be ensured confidentiality and data protection. Reporting any violations of the Code may not be led to any sanctions and the whistleblowers shall also be protected from the risk of retaliation. A member of staff, who retaliates with discriminatory actions against a whistleblower, may be subject to statutory sanctions, including termination of their employment contract.

Regardless of the form chosen for whistleblowing, the whistleblower's identity shall not be disclosed during the ongoing investigation and after the relevant decisions are taken, unless the whistleblower so requests or it is required under the laws.

Should there be any questions as to what activity or case may be considered a violation of the Code, staff may seek advice from their line manager or the SBA's Business Risks Department or use the anonymous reporting system mentioned above. Acceptance of questionable actions shall not be tolerated. Should a member of staff become aware of or suspect a violation of the requirements of the Code, they shall report it in any of the above ways.

APPROVAL AND ENTRY INTO FORCE

This Code shall be primarily approved by a resolution of the board of the UAB Concern SBA. In all other companies part of the SBA Group, the validity and application of the Code shall be validated by approving the Code in accordance with the following procedure:

- (a) where a board is formed at the company part of the SBA Group, the Code shall be approved by the company's board adopting a resolution;
- (b) where no board is formed at the company part of the SBA Group, the Code shall be approved when it is signed by the manager of the relevant company. If a company part of the SBA Group has the @vilys information system (hereinafter the IT system) rolled out, the Code shall be approved by the manager using an advanced electronic signature on this IT system. If a company part of the SBA Group does not have the IT system rolled out or if it is temporarily out of service, the Code shall be approved by the manager using a standard written signature (i.e. enacting a relevant company manager's decree).

The Code shall become valid for individual companies part of the SBA Group when it is approved by the board or the manager of that company in accordance with the above procedure.

PUBLICATION

If a company part of the SBA Group has the IT system rolled out, the staff with computerised work stations and assigned email addresses to them shall be notified of the entry into force of the Code and of their obligation to familiarise with it on the IT system. If a company part of the SBA Group does not have the IT system rolled out or if it is temporarily out of service, the staff with no computerised work stations and no email addresses assigned to them shall be notified of the entry into force of the Code: (a) for companies, which do not have a terminal (i.e. a shared computer where any member of the company's staff may access the internal legislation applicable at the company), by displaying the text of the Code in a prominent place on dedicated information stands inside the company's premises, or (b) for companies with a terminal, by displaying a notice of the entry into force of the Code in a prominent place on dedicated information stands inside the company's premises and uploading a digital copy of the Code on the terminal. The text of the Code shall also be uploaded on the internal intranet website accessible to all companies part of the SBA Group <http://www.sba.lt/>. The responsibility for publishing the Code, which has entered into force, at an individual company part of the SBA Group shall be vested with the manager of such company.

DELEGATION

The manager of the company part of the SBA Group shall have the right to delegate the approval of this Code to another member of staff at the company that they manage (in cases where the manager is responsible for approving the Code in the company), while in the temporary absence of the company manager (e.g. being temporarily unfit for work, etc.), the Code may also be approved by their deputy. The manager of the company part of the SBA Group may also delegate the publication of the Code, which has entered into force at their company, to another member of staff at the company or any persons providing such services. Such delegation/substitution instructed by the company manager shall be duly executed in writing.

REVISION

Subject to the results of the Code monitoring and proposals, the Code may be amended and/or supplemented by issuing a recast of the Code or by making amendments/additions to individual provisions of the Code. Any amendments and additions to the Code shall be first approved by the board of UAB Concern SBA; subsequently, they shall be approved by other companies part the SBA Group following the procedure corresponding to the one mentioned above.