



Approved by:
General Manager Tautvydas Barštys
Order No. /1 As of 12 October 2020

KG Group Business Code of Conduct

Introduction

The highest standard of individual conduct is expected at all times from each employee of KG Group (further the Company), not only in matters of financial integrity, but in every aspect of all business relationships.

Business should be conducted on the basis of fair dealing, consideration for the right of others, and the most stringent principles of good corporate citizenship. Each employee is responsible to acquire sufficient knowledge of the laws and Company policies and procedures relating to his or her particular duties in order to recognize potential dangers and to know when to seek legal advice. Conduct that is unlawful or violates Company policies and procedures will not be tolerated under any circumstances. Employees should consult with the in-house lawyer if they have questions regarding compliance with the laws. Any violation of the Business Conduct policy may result in termination or other disciplinary action.

The Business Conduct Policy addresses such areas of concern as conflicts of interest, improper payments, business entertainment, business gifts, records management, compliance with antitrust laws, political contribution, confidentiality, harassment.

1. Conflict of Interest

The Company and its stockholders expect that Company employees deal with third parties or make decisions on behalf of the Company in a manner that does not cause reputational risk to the Company. Business transactions must be undertaken in the best interests of the Company. Employees and their members of the „immediate family (which includes relatives of employee and employee`s spouse not more remote than a first cousin) should avoid situations that may create conflict between employee`s duty to the Company and personal self-interest. Neither an employee nor members of an employee`s immediate family may improperly benefit from activity involving the Company.

2. Acceptance of Entertainment and Gifts and other payments by employees

Unless approved in writing by the Company employees have no right to accept gifts, commission or other payments from Company customers, employees, or other persons unless gifts do not exceed value of 20EUR. In cases where gift`s value exceeds 20 EUR and it not practical or is against cultural practice of the gift`s giver to return the gift back to the giver, the gift should be turned over to the Company for Company use (e.g. internal consumption, charitable donation, etc.).

Social events, meals and entertainment may be accepted if there is a legitimate business purpose involved and the value is at a reasonable level.

The offering of gifts is regulated in more detail by Company rules describing how to deal with customers. In brief such gifts should be of a reasonable value and should not violate policies regulating acceptance of gifts that are valid at gift recipient`s company.

3. Competitors of the Company

No employee may perform services for, nor serve as a director, employee, or consultant or have other substantial interest at the company or organization competing with the Company.

4. Organizations doing business with the Company

No employee may engage in a business transaction with the Company nor may have a substantial interest in an organization doing or seeking to do business with the Company.



5. Compliance with Antitrust laws

The Company shall under no circumstance cause or be part of any breach of general or special competition regulations and laws, such as illegal cooperation on pricing or illegal market sharing. The Company promotes principles of free competition, free enterprise and a free market by prohibiting unreasonable restraints of trade.

6. Use and Protection of Company Assets and Transactions

Each employee involved in usage, acquisition or disposal of Company's asset must act in accordance with approved Company policies and initiate fair recording of the asset in reasonable detail in the Company's books of account and records.

All employees must comply with the Company's record retention policies.

All Company books, records and accounts must accurately reflect the nature of transactions recorded. Making false or fictitious entries is prohibited.

Unauthorized disclosure of information whether or not it is confidential is against the Company policy.

7. Bribes and other Improper Payments

No bribes or other unlawful or improper methods of remuneration shall be given to any person or government officials.

8. Legislative and Political activities

The Company's policy is not to engage in legislative and political activities, such as lobbying, giving gifts to public officials and making political contribution.

9. Boycott of and Sanctions Against Certain Countries, Industries and/or Companies

The Company will avoid buying from a country when there is a broad international consensus to boycott the country, or when sanction against the country have been implemented by the United Nations. The Company will avoid to engage with industries or companies when there is a broad consensus to boycott due to the negative social, environmental or ethical effects of the products, services or companies.

10. Use of Software

All users of Company software should understand that the unauthorized duplication of either proprietary or internally developed software is prohibited whether duplication is for business or personal use.

11. Harassment

The Company policy prohibits any type of harassment. Harassment is a form of conduct that may involve physical, psychological or verbal behavior which results in discrimination against individual or group. It can be based upon race, gender, religion, color, age, national origin, marital status, sexual orientation, mental and/or physical disability.

12. Compliance

Employees of the Company are expected to comply with this business Conduct policy and all other Company policies and procedures.

Employees are expected to disclose any transaction known to them which may violate this Policy.

According to Company procedures all disclosures should be reported to e-mail address: pasitikejimas@kgroup.eu.

All information received to this e-mail address is administrated and accordingly investigated further by KGG Director of Prevention and Security.