

Title of the internal legal act	Group Financial Support Policy
Title of the process	Financial support management
Process owner (unit)	Group Communications
Approving company	AB "Ignitis grupė"
Approving person/body	Management Board of AB "Ignitis grupė"
Date of entry into force	From the date of approval

GROUP FINANCIAL SUPPORT POLICY

1. PURPOSE AND SCOPE

- 1.1. The aim of the Policy is to determine the common principles applied in the Group for providing financial support.
- 1.2. The Policy applies to all Companies of the Group.

2. TERMINOLOGY

- 2.1. **Green Generation Company** shall mean REH, a REN Group Company or another Group Company that generates energy using sustainable energy sources, including wind, hydro, solar, biomass or waste, and/or develops and/or manages new capacities of energy generation using sustainable energy sources.
- 2.2. **Parent Company** shall mean AB "Ignitis grupė" (legal entity code 301844044).
- 2.3. **Head of the Company** shall mean the single-person management body of the Support Provider – CEO, General Manager, Manager and/or Management Board Member (in a foreign jurisdiction).
- 2.4. **Group** shall mean AB "Ignitis grupė" and the legal entities it controls directly or indirectly.
- 2.5. **LCS** shall mean the Law on Charity and Sponsorship of the Republic of Lithuania, including all its amendments and supplements.
- 2.6. **Application** shall mean an established Financial Support application form, which must be completed by the Applicant when applying for Financial Support, or a free form request for Financial Support submitted as per the cases and in accordance with the procedure established in the Rules.
- 2.7. **Financial Support** shall mean voluntary and gratuitous, except for commitments of the Support Recipient permitted by the LCS, provision of Support Items to the Support Recipients according to the procedure set out in the Policy and/or the Rules without violating the provisions of the LCS.
- 2.8. **Support Item** shall mean monetary funds and/or movable property no longer used by the Support Provider.
- 2.9. **Support Recipient** shall mean the Applicant who complies with the requirements to receive the Financial Support and who is assigned Financial Support.
- 2.10. **Support Agreement** shall mean the Financial Support agreement concluded between the Support Recipient and the Support Provider.
- 2.11. **Support Provider** shall mean the Parent Company, a Green Generation Company, AB "Energijos skirstymo operatorius" or AB "Ignitis gamyba".
- 2.12. **Applicant** shall mean an entity that seeks to receive the Financial Support and has submitted the Application to receive the Financial Support.
- 2.13. **Power Plant** shall mean a group of wind and/or solar power plants and other renewable energy sources used to generate electricity.
- 2.14. **Power Plant under Development (under Construction)** shall mean all territories that, due to development and/or construction works, and/or other preparatory works for operation (electricity generation) and/or activities, can be negatively impacted and/or experience temporary disturbances.
- 2.15. **Policy** shall mean the Group Financial Support Policy, this document.
- 2.16. **REH** shall mean UAB "Ignitis renewables" (legal entity code: 304988904).

- 2.17. **REN Group Company** shall mean a subsidiary or a second-tier subsidiary of REH.
- 2.18. **Rules** shall mean the Financial Support Management Rules of the Support Provider, including their later amendments and supplements. Financial Support Management Rules shall be approved by the Management Board of REH, which shall apply to both REH and REN Group Companies.
- 2.19. **Management Board** shall mean the collegial management body of the Support Provider.
- 2.20. **Application Evaluation Committee** shall mean the Financial Support evaluation body.

3. GENERAL PROVISIONS

- 3.1. In order to regulate the cases when and in what way the Group may provide the Support Items gratuitously, the Group established unified principles for providing Financial Support, which are described in this Policy.
- 3.2. The Policy aims to ensure that:
 - 3.2.1. the provided Financial Support reaches the target groups whose activities and initiatives align with the Group's values, principles of sustainable business development, strategy and is provided in the scope of renewable energy projects that are managed and/or under development and/or activities carried out in the green generation sector;
 - 3.2.2. the provided Financial Support reaches the education facilities, including foundations specialized in education, whose activities and initiatives align with the Group's values as well as contributes to/ensures the preparation of qualified specialists necessary to implement the Group's business strategy and talent recruitment;
 - 3.2.3. the support is provided to those negatively affected by the military actions and/or armed hostilities that are taking place in Ukraine as aid for the recovery (reconstruction) of Ukraine's energy infrastructure that has been destroyed by military actions;
 - 3.2.4. the Financial Support is provided in a transparent, impartial, objective manner and in accordance with Code of Ethics and unified principles.
- 3.3. The Financial Support may be provided by the Parent Company only for the purpose described in Paragraph 4.1, by the Green Generation Companies only for the purpose described in Paragraph 4.2, and by AB "Energijos skirstymo operatorius" and AB "Ignitis gamyba" only for the purpose described in Paragraph 4.3.
- 3.4. The Financial Support to be used for the purposes described in Paragraphs 4.1–4.2 of the Policy shall be provided in a form of monetary funds. The Financial Support to be used for the purpose described in Paragraph 4.3 of the Policy shall be provided only in a form of movable property no longer used by the Support Provider.
- 3.5. When providing Financial Support, the Support Provider shall follow the Civil Code of the Republic of Lithuania, the LCS, other laws and legal acts regulating the provision of Financial Support, its Articles of Association, this Policy, approved Rules and other internal legal acts.
- 3.6. The amount allocated by the Support Provider for providing Financial Support shall be determined in accordance with the procedural requirements and the maximum permitted amount for Financial Support set out in the legal acts.
- 3.7. The Support Provider's Rules shall set out Financial Support management procedure, Financial Support provision principles and other questions related to Financial Support. The Rules must ensure the legitimate, transparent, honest and effective provision and use of Financial Support while working towards objectives useful to public set out in the Policy. The draft Rules (or the amendment thereof) must be coordinated with the head of Communications function.
- 3.8. The Support Provider may only provide Financial Support if it does not have tax arrears to the state budget of the Republic of Lithuania, the budgets or funds of municipalities which are administered by the State Tax Inspectorate Under the Ministry of Finance of the Republic of Lithuania, also debts with overdue payments to the budget of the State Social Insurance Fund as well as unfulfilled debt obligations according to the loan agreements and other obligatory debt documents concluded with the Ministry of Finance of the Republic of Lithuania or according to agreements with state guarantees.

3.9. The competence of the Support Provider's General Meeting of Shareholders, Management Board, Application Evaluation Committee, Head of the Company and the adoption procedure of their decisions on issues related to the Financial Support are detailed in the Articles of Associations, Rules and/or other legal acts of the Support Provider.

3.10. The Management Board of the Parent Company shall form an Application Evaluation Committee which shall evaluate Financial Support Applications received by all Support Providers at the Group level. Application Evaluation Committee shall comprise at least 5 (five) employees of Group Companies. The employees of Support Providers may comprise less than half of the members of the Application Evaluation Committee. The Management Board of the Parent Company shall appoint an employee of a Group Company (excluding Support Providers whose received Financial Support Applications will be evaluated by the Application Evaluation Committee of the Group) from amongst the members of the Application Evaluation Committee as the chair of the committee. Application Evaluation Committee shall operate in accordance with the Rules of Procedure of the Application Evaluation Committee approved by the Management Board of the Parent Company as well as the Rules of the Support Provider whose Financial Support Application evaluation procedures it participates in.

3.11. Application Evaluation Committee is not a management body of the Parent Company or the Support Provider. The main role of the Application Evaluation Committee of the Group is to evaluate the submitted Applications and provide their evaluation conclusions, suggestions as well as perform other functions within the scope of the competencies granted to it in the regulations. Application Evaluation Committee members shall not be rewarded for their activities.

4. OBJECTIVES, MAIN CRITERIA AND PRINCIPLES OF GRANTING FINANCIAL SUPPORT

4.1. The Parent Company may provide Financial Support to education institutions, also foundations specialized in education, in order to strengthen the quality of the fields of study important to the strategic business segments of the Group as well as promote the attractiveness and/or popularity of these fields of study and/or professional career in the energy sector, to promote scientific research in these fields of study if it complies with the criteria for providing Financial Support established in the Rules.

4.2. Green Generation Companies may provide Financial Support for the following purposes:

4.2.1. all Green Generation Companies may provide Financial Support to education institutions, including foundations specialised in education, in order to strengthen the quality of the fields of study important to the strategic business segments of the Group as well as promote the attractiveness and/or popularity of these fields of study and/or professional career in the energy sector, to promote scientific research in these fields of study if it complies with the criteria for providing Financial Support established in the Rules;

4.2.2. Green Generation Companies, excluding REH and/or REN Group Companies, may provide Financial Support for social, education, arts, culture, science and sport (excluding extreme and high-risk sport) projects and activities organised by the communities with a Green Generation Company (excluding REH and/or REN Group Companies) operating or being developed nearby, including other purposes (activities) of such communities that, according to the LCS, are considered as beneficial to the public. Such projects and/or activities must create, promote the long-term partnership between the Green Generation Company (excluding REH and/or REN Group Companies) and the community, must be related to the Green Generation Company's (excluding REH and/or REN Group Companies) strategic goals, activities as well as ongoing projects and programmes, and comply with the criteria for providing Financial Support established in the Rules;

REH and/or REN Group Companies may provide Financial Support for social, education, arts, culture, science and sport (excluding extreme and high-risk sport) projects and activities organised by the communities with REH and/or a REN Group Company operating or being developed nearby, including other purposes (activities) of such communities that, according to the LCS, are considered as beneficial to the public. Such projects and/or activities must create, promote the long-term partnership between the REH and/or REN Group Company and the community, must

be related to the REH and/or REN Group Company's strategic goals, activities as well as ongoing projects and programmes, and comply with the criteria for providing Financial Support established in the Rules.

4.3. The purpose of the Financial Support provided by AB "Energijos skirstymo operatorius" and/or AB "Ignitis gamyba" is to support those negatively affected by the military actions and/or armed hostilities that take place in Ukraine by transferring the movable property no longer used by AB "Energijos skirstymo operatorius" and/or AB "Ignitis gamyba" as aid for the recovery (reconstruction) of Ukraine's energy infrastructure that has been destroyed by military actions. Only the entities listed in Paragraphs 4.5.3 and/or 4.5.4 of the Policy may be entitled to receive such Financial Support.

4.4. The Financial Support shall not be provided and may not be used for:

4.4.1. financing political parties, state politicians, political advertisement or political campaigns and covering debt obligations of participants of political campaigns occurred during the period of political campaigns or related to political campaigns;

4.4.2. funds and establishments established by public servants of political (personal) confidence, the Parliament (Seimas) of the Republic of Lithuania, the Government, members of the municipality boards, members of single and collegial management bodies of political parties, their close relatives, spouses, partners when the partnership is registered according to the procedure set out in law. The persons listed in this Paragraph shall not participate in the evaluation of the Applications and decision making on the Financial Support provision;

4.4.3. extreme and high-risk sports, activities that popularize and/or are related to any form of gambling, alcoholic beverages, tobacco products or other intoxicants and/or other activities that have or can have negative impact on the public and/or part of it;

4.4.4. if the amount of the financial unconsolidated annual net profit is negative (losses incurred);

4.4.5. Financial Support Recipient has violated the principal conditions of the Support Agreement concluded with the Support Provider while executing previously concluded Support Agreement with the Support Provider and, due to the violation, the Support Agreement was terminated and the period of 3 (three) years has not passed since the full compensation of the Financial Support to the Support Provider.

4.5. Financial Support may be provided:

4.5.1. for the purposes described in Paragraphs 4.1 and 4.2 of the Policy, to legal entities incorporated in the Republic of Lithuania that have the status of a Support Recipient, that had been registered in the Register of Legal Entities at least 1 (one) year prior to the date of submission of the Application and meet the requirements established in the LCS, other legal acts and the Rules;

4.5.2. for the purposes described in Paragraphs 4.1 and 4.2 of the Policy, to legal entities registered in a country in the European Economic Area that are not for profit and whose profits may not be allocated to their participants. Such legal entity has to have been registered as a legal entity in the register of legal entities of a country in the European Economic Area at least 1 (one) year prior to the date of submission of the Application and meet the requirements established in the LCS, other legal acts and the Rules;

4.5.3. for the purpose described in Paragraph 4.3 of the Policy, to legal entities registered in Ukraine that are not for profit and whose profits may not be allocated to their participants. Such legal entity has to have been registered as a legal entity in the register of legal entities of Ukraine at least 1 (one) year prior to the date of submission of the Application and meet the requirements established in the LCS, other legal acts and the Rules;

4.5.4. for the purpose described in Paragraph 4.3 of the Policy, to state authorities of Ukraine that meet the requirements established in the LCS, other legal acts and the Rules.

4.6. Key Financial Support provision principles:

4.6.1. compliance with activities of the Support Provider – when evaluating Applications and making decisions on Financial Support provision, it must be ensured that the Financial Support is

received by the Applicants whose objectives are sound and aligned with the objectives of Support Provider's activities, sustainability policy direction (if applicable) and values declared by the Support Provider the most;

4.6.2. relevance – Applicants whose operations, projects, initiatives create value in areas where Support Provider operates at the regional or national level may receive the Financial Support;

4.6.3. transparency – Financial Support evaluation and provision criteria must be unified, clear and understandable for all Applicants;

4.6.4. impartiality – in cases when the Financial Support evaluation may result in a conflict of interests, when evaluating the Applications and making decisions, the Application Evaluation Committee member must remove themselves from the Application evaluation and decision-making processes.

4.7. The Rules of the Green Generation Company shall establish the criteria for providing Financial Support to communities, which would allow to ascertain Financial Support project's, activity's or object's value to the community, its compliance with Group's values, strategy, objectives, principles of sustainable business development, if it is feasible, can be implemented, relevant socially, reasonable in terms of market prices, etc.

4.8. The Rules of AB "Energijos skirstymo operatorius" and AB "Ignitis gamyba" and the agreements concluded with the Support Recipient shall establish that the Financial Support (provided for the purpose described in Paragraph 4.3 of the Policy) shall be recognised as used properly after the Support Recipient transfers the received Financial Support to a legal entity that is authorised by Ukrainian state authorities and appointed to coordinate (organise) the collection, storage and allocation of aid to Ukraine.

4.9. The Rules of the Support Provider may determine other Financial Support provision principles and criteria that comply with and supplement the Policy and legal acts.

5. PUBLICITY

5.1. Support Provider shall publish the following information about the provided Financial Support publicly no later than in 1 (one) month from the provision of the Financial Support:

5.1.1. Support Recipient (Recipients);

5.1.2. Financial Support objective;

5.1.3. Financial Support amount;

5.1.4. Financial Support period.

5.2. Support Provider shall also announce publicly:

5.2.1. this Policy;

5.2.2. the Rules;

5.2.3. The summary of reports on Financial Support utilisation submitted by the Support Recipients to the Support Provider. The information provided in the Financial Support utilisation reports shall be published as far as it does not contradict the LCS, Law on Legal Protection of Personal Data of the Republic of Lithuania and other legal acts;

5.2.4. the Application for receiving Financial Support, the Support Application evaluation profile, the draft Support Agreement;

5.2.5. Application submission and evaluation deadlines (if provided for);

5.2.6. the amount of funds (the sum) allocated by the Support Provider for Financial Support;

5.2.7. contacts which provide information about the activities of the Support Provider;

5.2.8. information about the Financial Support provided by the Support Providers for the current year and at least for the last 3 (three) financial years;

5.2.9. other information provided in the Rules, internal legal acts of the Support Provider, LCS.

5.3. The Group Companies shall publish the information indicated in Paragraph 5.1 of the Policy about the provided Financial Support publicly on the Parent Company's or their own websites.

5.4. Support Provider's Head of the Company must ensure that information is made public, excluding the publication of the Policy.

6. FINAL PROVISIONS

6.1. The Support Providers shall implement the Policy in its maximum capacity by ensuring the compliance with the provisions of their Articles of Associations, the LCS and other effective legal acts .

6.2. The head of Communications function shall be responsible for preparing and updating the Policy.

6.3. The head of Communications function shall be responsible for implementation and control of the Policy.

6.4. The Policy shall be made public to ensure the transparency of Financial Support provision.

6.5. The employees of the Parent Company, Green Generation Companies, AB “Energijos skirstymo operatorius”, AB “Ignitis gamyba” and UAB “Ignitis grupės paslaugų centras” who are involved in the processes of granting support shall be introduced to the Policy.

6.6. The Policy and its amendments shall be approved by the Management Board of the Parent Company.

7. RELATED LEGISLATION

[The Republic of Lithuania Law on Charity and Sponsorship](#)

[Code of Ethics of Ignitis Group](#)

[Rules of Procedure of the Application Evaluation Committee of the Group](#)

[Financial Support Management Rules of Ignitis Group](#)

[Financial Support Management Rules of UAB “Ignitis renewables” and its subsidiaries](#)

[Rules of Managing Financial Support of UAB Kauno kogeneracinė jėgainė](#)