

APPROVED:  
VMGcorp, UAB  
CEO's order No. 20-04 V  
31 December 2020

## VMGCORP, UAB EQUAL TREATMENT POLICY AND PROCEDURE FOR ITS IMPLEMENTATION

### 1. GENERAL PROVISIONS

1.1. The purpose of the Equal Treatment Policy and Procedure for Its Implementation (hereinafter '**the Procedure**') of VMGcorp, UAB (a private limited liability company (*Lith. uždaroji akcinė bendrovė (UAB)*) (hereinafter 'the Company') is to protect the Company's employees from possible violations of the principles of gender equality and non-discrimination on other grounds and to create a respectful work environment.

1.2. The Procedure establishes the principles of equal treatment applicable to the Company, the conditions and procedure for their implementation at work, as well as the means of supervision.

1.3. The Procedure, as well as any changes and additions thereto, are binding on the employer and all staff members working with the Company on the basis of an employment contract.

1.4. All issues related to the implementation of this Procedure shall be resolved by the Company's administration within the limits of the powers granted to it. The provisions of the Procedure may be revised by separate regulations, instructions, rules and other documents approved by the Head of the Company.

1.5. In order to ensure the implementation of the principles and rules set forth by the Procedure, the Company designates a person responsible for the implementation of the equal treatment policy (hereinafter '**the Authorized Person**').

1.6. The Procedure, as well as any amendments and additions thereto, shall be approved by the Head of the Company.

1.7. Company employees' acquaintance with the Procedure, as well as with any amendments and additions thereto, shall be organized by HR Director.

### 2. MAIN TERMS AND DEFINITIONS

2.1. '**Company**' – VMGcorp, UAB.

2.2. '**discrimination**' – any direct or indirect discrimination (restriction or deprivation of rights), harassment, instruction to discriminate (restrict or deprive of rights) on grounds of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

2.3. '**equal treatment**' – the implementation of human rights enshrined in international instruments on human and civil rights as well as laws of the Republic of Lithuania irrespective of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

2.4. '**indirect discrimination**' – any act or omission, legal provision or assessment criterion, apparently neutral provision or practice that formally are the same but their implementation or application results or would result in *de facto* restrictions on the exercise of rights or extensions of

privileges, preferences or advantages on grounds of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion, unless that act or omission, legal provision or assessment criterion, provision or practice is justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.

2.5. **'harassment'** – any unwanted conduct which occurs with the purpose, or effect, of violating the dignity of a person, and of creating an intimidating, hostile, humiliating or offensive environment on grounds of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

2.6. **'social status'** – education, qualification acquired by a natural person or his/her studies at higher education and research institutions, his/her property, income, need for state support provided for in legal acts and/or other factors related to the financial/economic situation of the person.

2.7. **'direct discrimination'** – any situation where one person is treated less favourably than another is, has been or would be treated in a comparable situation on grounds of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion, except for the following cases:

2.7.1. statutory restrictions on grounds of age where it is justified by a legitimate aim and the means of achieving that aim are appropriate and necessary;

2.7.2. statutory requirement to know the state language;

2.7.3. prohibition to participate in political activities in the cases provided for by law;

2.7.4. different statutory rights applied on the basis of citizenship;

2.7.5. statutory special measures in the area of health care, safety at work, employment and labour market with the view of creating and applying conditions and opportunities guaranteeing and promoting integration into the working environment;

2.7.6. special temporary statutory measures taken to ensure equality and prevent violation of equal treatment on grounds of sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion;

2.7.7. where, by reason of the nature of the particular occupational activities concerned or of the context in which they are carried out, a particular human characteristic constitutes an essential and determining occupational requirement, provided that the aim is legitimate and the requirement is proportionate;

2.7.8. where the legal regulation of restrictions, special requirements or certain conditions relating to the social status of a person is justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.

2.7.9. **'Authorized Person'** – a person responsible for the proper implementation of this Procedure. The Authorized Person shall be appointed by the decision of the Head of the Company.

### 3. GENERAL PROVISIONS

3.1. The Company implements equal treatment and non-discrimination principles, irrespective of person's sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion, intention to have a child (children) of other grounds provided for by the legal acts.

3.2. **Employee hiring:** The Company gives equal opportunities to all persons when employing staff. Employee hiring or hiring process is based solely on the business characteristics of a person and the criteria related to work in the relevant position. The Company applies the same selection and hiring criteria to all employees. In all cases, the focus is on the ability to do the job well.

3.3. **Equal working conditions:** The Company organizes work in such a way that all groups of society are represented in its workforce, and that every employee feels respected and can make use of his or her abilities to the full.

3.4. When organizing its activities, the Company creates an environment in which the individual differences and contributions of all its employees are recognized and valued. Every employee has the right to work in an environment that promotes respect for the dignity of each person.

3.5. The Company organizes its activities in such a way that ensures equal working conditions, access to improvement of qualifications, vocational training, retraining, acquiring practical work experience, as well as provides equal advantages

3.6. **Applying the same criteria for assessing work:** The Company applies the same criteria for assessing the work of all employees.

3.7. **Applying the same criteria for dismissal from work:** The Company ensures that employees with the same qualifications to be dismissed on the same grounds are dismissed applying the same criteria in accordance with the requirements of the Labour Code of the Republic of Lithuania.

3.8. **Protection of disabled persons:** The Company ensures and takes appropriate measures to enable disabled persons to have access to, participate in, or advance in employment, or to undergo training, including relevant adaptation of premises, unless such measures would impose a disproportionate burden on the Company.

#### 4. ADMISSION OF NEW AND DISMISSAL OF EXISTING EMPLOYEES

4.1. The Company supports diversity in the workplace and strives to ensure that all applicants seeking to work with it are treated equally and fairly and are hired based on their abilities and qualifications only.

4.2. The new employee hiring process of the Company is carried out systematically for all job offers at all levels. The selection criteria for all jobs in the Company are clearly defined and described in detail.

4.3. Advertisements about vacancies in the Company are prepared in such a way that they do not provide an opportunity to participate in the competition for a vacancy only for candidates of a certain sex, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

4.4. The selection of new employees of the Company is based on vacancies, suitability and ability to perform the relevant work, as well as the information received from candidates is associated only with qualifications related to the requirements applicable to the relevant position.

4.5. Employees responsible for candidate selection, job interviews and their appointment are clearly informed about the selection criteria and the requirement to implement the equal treatment policy.

4.6. Appropriate conditions shall be ensured for disabled candidates who indicate this when applying for a job vacancy (e.g.: job interview rooms with easy access or the help of a sign language interpreter), so that such candidates are given equal treatment compared to other candidates.

4.7. Dismissal of the Company employees is based on criteria that are related exclusively to the employee's qualifications, performance of job duties and other circumstances. When making a decision on the dismissal of an employee, the dismissal criteria are applied equally to all employees in accordance with the requirements of the Labour Code of the Republic of Lithuania.

## **5. SETTING AND RAISING AMOUNT OF REMUNERATION FOR WORK**

5.1. The Company has drawn up and approved remuneration for work regulations (system).

5.2. When determining remuneration for work amount for specific employees, the Company is guided by exclusively objective criteria relating to the employee qualifications, the degree of responsibility applicable to the employee, the nature of the work performed, the results achieved and other objective criteria that are established by a separate document.

5.3. The Company ensures that all employees are paid the same remuneration for the same or equivalent work. The same work means the performance of a work activity that, according to objective criteria, is the same or similar to another work activity to the extent that both employees can replace one another without significant costs to the employer. Equivalent work means that, according to objective criteria, it is no less qualified and no less significant for the employer in achieving its operational goals than other comparable work. The criteria and conditions applicable to the remuneration for work are specified in the remuneration for work regulations or other documents of the Company.

5.4. The criteria used in the selection of candidates for promotion are related exclusively to the person's abilities and the quality of the work performed, as well as personal achievements in the professional field.

5.5. The Company conducts employee performance assessments by following and applying the same criteria to all employees, taking into account solely the circumstances related to the employee's profession, performance of job duties, professional achievements or personal performance.

## **6. RIGHTS AND OBLIGATIONS OF EMPLOYEES**

6.1. All employees should adhere to the principles of non-discrimination and mutual respect, including but not limited to the following:

6.1.1. Treating one another with respect and fairness, and respecting the rights of all colleagues to privacy and dignity;

6.1.2. Making every effort to maintain a friendly and respectful environment in the Company, so that working there would be enjoyable to all employees;

6.1.3. Showing no tolerance regarding discrimination based on sex, race, nationality, age, religion, sexual orientation, disability or any other grounds prohibited by law;

6.1.4. Maintaining an appropriate manner of speech and conduct, so as not to create an offensive or hostile work environment, where other employees may have a feeling of being harassed or humiliated;

6.1.5. Refrain from swearing when communicating with colleagues, express criticism towards colleagues in an a polite and non-offensive manner, try not to criticize colleagues publicly but express your comments privately;

6.1.6. Do not tolerate any noticed instances of discrimination or harassment, and do not wink at or encourage such conduct; and

6.1.7. Refrain from any actions that would violate the rights of other employees.

6.2. Employees should inform the Company of any observed instances of discrimination or harassment, regardless of whether such actions are directed against the employee himself/herself or against other employees. Such an information should be submitted to the Authorized Person.

6.3. Employees have to cooperate with the Company in implementing the principles set forth in the Procedure and in investigating possible violations thereof.

6.4. Employees have to adhere to the principles specified by the Procedure both when at work and outside working hours (including but not limited to events organized or sponsored by the Company (which may also take place outside working hours and/or outside the workplace), communication with colleagues outside of work, etc.).

## **7. EMPLOYEE PROTECTION AND INVESTIGATION OF POTENTIAL VIOLATIONS**

7.1. All employees of the Company are to comply with the Procedure in order to ensure equal treatment and avoid discrimination.

7.2. The Company commits the department managers to promote a friendly, respectful and enjoyable working environment, where no discrimination or harassment of any kind is tolerated, for their employees. The managers have to monitor the psychological atmosphere in the subdivisions subordinate to them and, upon noticing any possible violations of the principles set forth in the Procedure, react immediately.

7.3. The opinion of its employees about their working conditions is important to the Company. Therefore, the Company enables employees to express their opinion regarding any possible improvements in the working conditions (including anonymously) by submitting suggestions or comments to the Authorized Person of the Company.

7.4. The Company takes measures to ensure that no employee would experience any harassment/sexual harassment in the workplace and no instruction to discriminate would be given, as well as that an employee would not be harassed and would be protected against any hostile behaviour or negative consequences, if he or she submits a discrimination complaint or participates in a discrimination case.

7.5. All employees of the Company or candidates for vacant jobs who believe that their right to equal treatment has been violated or that they are discriminated against should report the matter to the Company by filing a complaint.

7.6. Complaints should be submitted in writing (including by e-mail) to the Authorized Person. If the Authorized Person is among the offenders according to the employee's complaint, the complaint may be submitted to the Head of the Company. If both the Authorized Person and the Head of the Company are accused persons, the complaint may be submitted to any Deputy Head of the Company or any member of the Board of VMG HOLDINGS LIMITED.

7.7. The employer investigates all complaints submitted by employees regarding possible violations of the Procedure, including anonymous complaints, if they contain the following information:

- a) Employee's workplace (department, team, etc.);
- b) Essence and factual circumstances of the violation;
- c) Date (period) of violation;
- d) The offender (if the actions of a specific person are complained of).

7.8. If the complaint submitted by the employee does not meet the requirements specified in Clause 7.7 above (has shortages), the Authorized Person informs the employee who submitted the complaint (except for anonymous complaints) about the identified shortcomings and offers to correct them.

7.9. The Company strives to investigate each complaint as soon as possible but no later than within 30 (thirty) days of the receipt thereof. In exceptional cases, where, for objective reasons, more

time is needed to investigate the complaint, the Authorized Person has the right to extend the above-mentioned deadline.

7.10. When investigating a complaint, the Authorized Person takes measures to ensure the rights of the person who submitted the complaint (protects the confidentiality of the fact of the complaint and/or its content, takes measures to discontinue a possible violation, etc.).

7.11. After investigating the complaint, the Authorized Person informs the employee who submitted it about the results of the investigation and the decisions made.

7.12. Where it is established that the violation specified in the complaint has actually taken place, the employer shall take measures to remove the identified violation and/or its consequences and to punish the offender (if any such has been identified).

7.13. Where the investigation reveals that the violation specified in the complaint has not been found, the employee who submitted the complaint shall not be subject to any negative action applied by the employer, except for the cases where it is established that the employee has abused of his or her rights, has intentionally made a false complaint regarding another person, or has provided incorrect information.

7.14. Any harassment or hostile behaviour in respect of an employee or a candidate for a vacant job who has filed a complaint regarding discrimination or violation of other equal treatment rights is prohibited and considered a gross violation of job duties, and may be subject to liability, as provided for in the Labour Code of the Republic of Lithuania.

## **8. LEGAL RESPONSIBILITY FOR VIOLATIONS OF THE PROCEDURE**

8.1. Violation of the provisions of the present Procedure may be subject to legal liability. Taking into account the severity of the violation and the consequences thereof, persons who violate the Procedure may be subject to administrative, criminal and/or civil liability in accordance with the procedure established by the legal acts in force in Lithuania.

8.2. Any violation of this Procedure shall be considered a gross violation of job duties, which is subject to disciplinary action (including termination of the employment contract due to the fault of the employee).

## **9. FINAL PROVISIONS**

9.1. The Procedure applies to all employees of the Company, regardless of the type of employment contract and the position they hold.

9.2. The Procedure shall enter into force as of the date of its adoption.

9.3. The Procedure is not the Company's contractual obligation to employees but an internal document adopted at the Company's discretion in line with the information and consultation procedures set forth by the Labour Code of the Republic of Lithuania. The Company has the right to change this Procedure, in part or in full. Employees and other persons responsible shall be informed of the changes with signed confirmation of having received such information or by means of information technology.