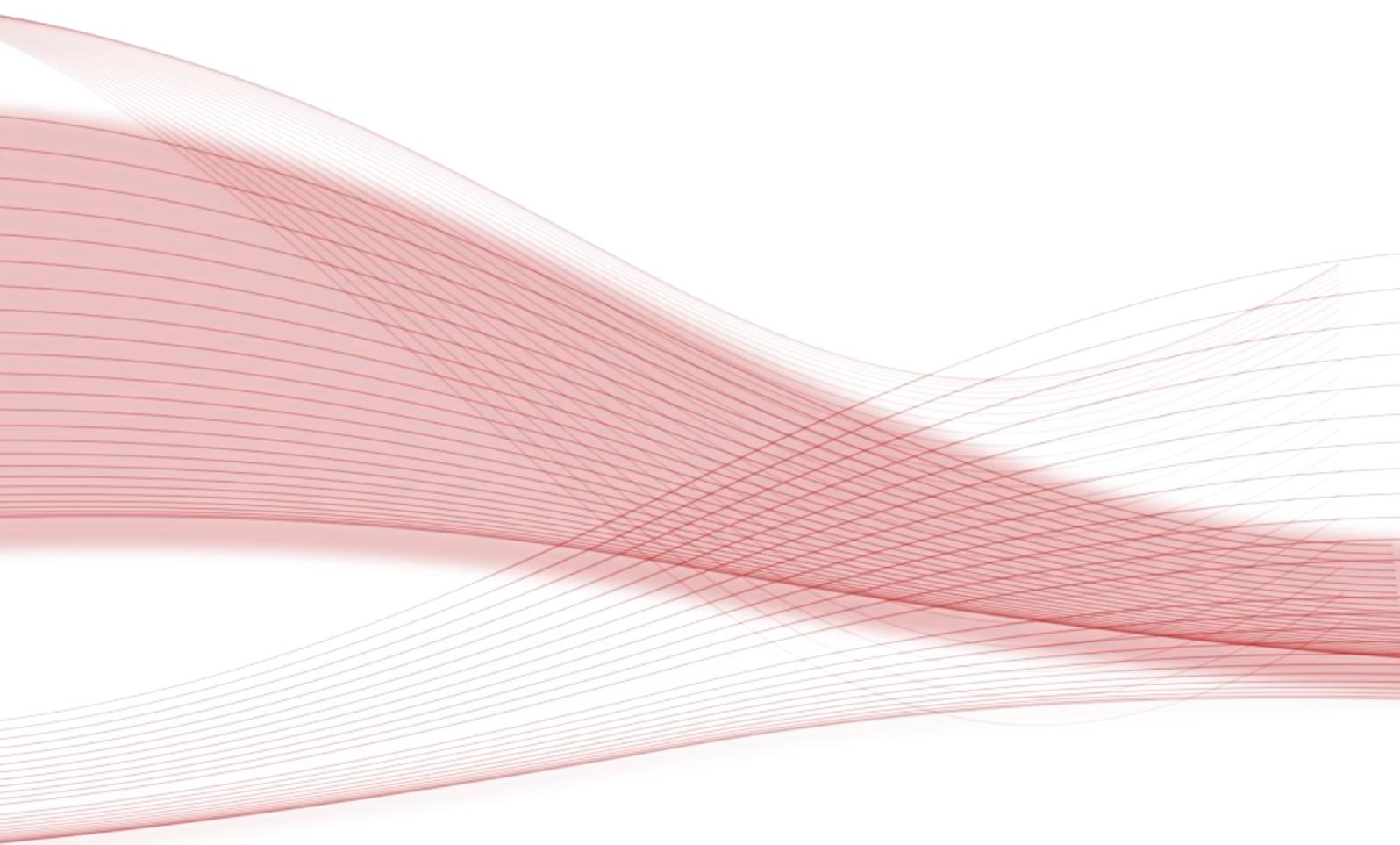


FREOR

HUMAN RESOURCES POLICY



# INTRODUCTION

The FREOR Human Resources policy, based on Company's values and missions, encompasses the strategic content for FREOR's people initiatives, which constitute a sound basis for efficient and effective Human Resources Management in the FREOR.

They are in essence flexible and dynamic and may require adjustment to a variety of circumstances. Therefore its implementation will be inspired by sound judgement, compliance with local market laws and common sense, taking into account the specific context. Its spirit should be respected under all circumstances.

The legal background of relevant legislation in the fields of employment, social protection and working conditions, including health and safety at work, is geared towards general EU standards. It is defined, but not limited thereto, by the Labor Code of the Republic of Lithuania, the Law on Support for Employment of the Republic of Lithuania, relevant secondary legislation, and other regulations. A special set of legislation regulates the employment and working conditions in Lithuania. Please see Annex 1.

FREOR is committed to fair employment practices, including the prohibition against all forms of illegal discrimination. By providing equal access and fair treatment to all employees on the basis of merit, we improve FREOR's success while enhancing the progress of individuals and the community where our business is located.

FREOR is committed to observing all applicable labor and employment laws. That includes observing those laws that pertain to freedom of association, privacy, recognition of the right to engage in collective bargaining, the right to lodge grievances, the prohibition of forced, compulsory and child labor, and those laws that pertain to the elimination of any improper employment discrimination.

UAB FREOR LT

Vilnius, August 2015

Rytis Bernatonis

Chief Executive Officer

# VALUES AND LEADERSHIP PRINCIPLES

Values describe how FREOR employees behave. They are the basis of our business relationships. Therefore, special attention is paid to the FREOR values and the company culture.

The FREOR values are:

- safety
- create value for the customer
- commitment to people development
- visible leadership
- integrity

FREOR leaders live these values by showing the way through their actions. Successful team leaders manage with:

- respect, trust and fairness
- clarity and focus
- openness and truthfulness
- drive
- commitment to employees
- accountability
- teamwork
- truthful, timely and continuous information

# EMPLOYEE SAFETY AND HEALTH POLICY

## Commitment and principles

Safety is a fundamental value of FREOR. It is implicit in our products and services and in the way we work. We do not compromise on the safety and health of those who work for our business.

We believe that all injuries, work-related illnesses and accidents are preventable, and we strive for the highest standards of safety and health performance.

Our safety culture is based on prevention, hazard awareness, continuous improvement and compliance with carefully-developed procedures.

## Responsibility

Each employee is responsible for the safety consequences of what he or she does or fails to do. Each of us shall maintain a high level of safety awareness at work, comply with all applicable safety rules and work instructions, promptly report all accidents, safety incidents and unsafe conditions to our supervisor, warn those who might be at risk from hazards, and where possible protect them from these hazards until the risk is no longer present.

Line managers, at all organizational levels, have direct responsibility for implementing this policy and Company Safety Standards as they apply to their areas of responsibility. They train, communicate, reinforce, ensure compliance and lead by example.

# PEOPLE DEVELOPMENT

The success of FREOR essentially depends on the quality of its people.

FREOR seeks to attract, retain and develop the right people, who display in addition to their professional skills, the following competencies:

- customer orientation
- people orientation
- achievement orientation
- leadership
- impact
- self-confidence

Besides the relevant skills, experience and abovementioned competencies, no consideration is given to employees' origin, nationality, race, religion, gender or age.

FREOR develops the skills of all employees to create high levels of motivation and performance and to allow them to reach their full potential. The policy is to have well-trained and highly knowledgeable staff. In an annual development review between employee and manager, strengths and weaknesses are assessed against the required skills and competencies.

This review results in a development plan with concrete measures and actions. Various processes and methods for developing employees are applied, such as:

- on-the-job training
- classroom training
- e-learning
- job rotation
- performance management
- international assignments
- coaching
- project assignments

# EMPLOYMENT AND EMPLOYEE MOTIVATION

## Employment conditions

When selecting candidates to fill vacant positions, decisions are based on the applicant's professional and personal skills, including their flexibility and adaptability.

Employee competencies must be regularly and systematically developed, and must have a strategic foundation. Skills development initiatives must flow out of goals and responsibilities.

No matter what an employee's responsibilities are or what position they hold, it is important that each employee always feels they have made a difference and have contributed to the on-going development of the company.

The company hopes and expects employees will take the initiative and responsibility to plan and execute their own activities, and will feel that they can realize their full potential, to the benefit of both employers and the company.

It is important to the company that all employees experience a healthy working environment and have equal opportunity for development and promotion, irrespective of gender, race, nationality and faith.

# WORK/ LIFE BALANCE

At FREOR we believe that the employee's private and professional life should have a good balance.

Not only because it reinforces employee's satisfaction, loyalty and enhances productivity but also because it positively reflects on the Company's reputation. It helps attracting and retaining people and reconciles economical imperatives with well being.

FREOR is willing to support employees who wish to take an active part in the life of the community or by assuming responsibilities in professional, civic, cultural, religious or voluntary organizations it being understood that any activity during working hours be first approved by the Company.

In the same spirit, FREOR encourages flexible working conditions whenever possible and encourages its employees to have interests and motivations outside work.

# REMUNERATION

**FREOR believes in competitive and fair remuneration.**

Remuneration includes base salary, variable pay, social and other benefits. FREOR promotes the use of incentives and bonuses wherever justified. At management levels, the variable component of the remuneration is more important.

FREOR compensates its employees at the relevant market level and will conduct regular market surveys in order to ensure its competitive and correct positioning.

FREOR has salary differentiation within and between employee groups. Salary differentiation is based on performance and results, potential, experience, education, and the complexity of the position.

# INDUSTRIAL RELATIONS

FREOR acknowledges the freedom of association of its employees and the right to collective bargaining within the framework of local laws.

FREOR wishes to sustain the long-term development of the Company, both to the benefit of the employees and of the Company, by maintaining a level of competitiveness adapted to its economic environment.

## IMPLEMENTATION

The general manager of FREOR is responsible for implementing this policy.

The content of this policy is communicated to all those who lead and deal with employees.

# ANNEX 1

## Main legislation in the field of employment and working conditions

- The Labor Code (OG, 2002, No 64-2569) is the main legal act in Lithuania regulating collective and individual labor relations and the working conditions of employees in the country.
- The Law on Support for Employment (OG, 2006, No 73-2762) provides the legal background, aim, and tasks for the employment support system for jobseekers; the functions of the institutions (agencies) implementing employment support policy; employment support measures; and organization and funding of employment support measures.
- The Law on Social Enterprises (OG 2004, No 96-3519) provides possibilities for persons with lower employability to be employed in social enterprises.
- The Law on Safety and Health at Work (OG, 2003, No 70-3170) specifies the general provisions of occupational risk assessment, the procedure for investigation of accidents at work and occupational diseases, the requirements on safety and health at work, and the general principles of responsibility for violation of legislation on safety and health at work.
- The Law on Labor Councils of the Republic of Lithuania No IX-2500 of 26 October 2004 (Official Gazette, 2004, No 164-5972)
- The Law on European Labor Councils of the Republic of Lithuania No IX-2031 of 19 February 2004 (Official Gazette, 2004, No 39-1271);
- The principles of equality and non-discrimination are entrenched in the Law on Equal Treatment (OG, 2003, No 114-5115) and the Law on Equal Opportunities of Women and Men (OG, 1998, No 112-3100).
- The Law on Temporary Employment Agencies (OG, 2011, No 69-3287) specifies the peculiarities of labor relations between temporary workers and temporary employment agencies and defines the rights and obligations of the parties to employment via temporary employment agencies.
- The Law on the Civil Service (OG, 1999, No 66-2130) identifies the basic principles of the civil service; the status, responsibility, remuneration for work and social guarantees of a civil servant; and the legal basis for the management of the civil service.