

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

APPROVED

By the Board of JSC „Lietuvos geležinkeliai“
Decision No. SPR-VL(LTG)-23/2025 of
2025-06-17

NATIONAL SECURITY COMPLIANCE POLICY

	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

Table of Contents

1. Introduction	Error! Bookmark not defined.
2. Terms	Error! Bookmark not defined.
3. General Provisions.....	5
4. National Security Compliance Governance Model	7
6. Final Provisions.....	10

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG


1. Introduction

- 1.1. The National Security Compliance Policy (hereinafter – the Policy) establishes the strategic and unified approach of the JSC “Lietuvos geležinkeliai” (hereinafter – LTG) Group of Companies to ensuring national security compliance. This approach stems from the status of certain LTG Group companies as National Security Sensitive Entities and the resulting obligation to operate in alignment with national security interests.
- 1.2. The Policy is developed based on the National Security Strategy of the Republic of Lithuania (hereinafter – the Republic), the Law on the Fundamentals of National Security, the Law on the Protection of Objects Important for Ensuring National Security, and other legal acts regulating national security. The Policy shall apply to the extent that its provisions do not conflict with the legal acts of the Republic or the European Union; in the event of a conflict, higher-ranking or sector-specific provisions shall prevail.
- 1.3. Internal documents of the LTG Group related to the assurance of national security compliance shall not contradict the provisions of this Policy. In the event of a contradiction, the provisions of this Policy shall prevail, and the conflicting internal legal acts must be updated in accordance with this Policy.
- 1.4. This Policy applies to LTG Group companies operating in the Republic of Lithuania. The Policy applies to the extent that these legal entities participate in national security compliance activities, and its provisions are implemented through internal procedures and operational processes.
- 1.5. The Policy is an integral part of LTG’s business resilience, and its implementation is coordinated by the LTG Head of National Security Compliance.
- 1.6. With respect to LTG Group companies performing the functions of the public railway infrastructure manager, the provisions of this Policy shall apply insofar as they do not conflict with the legal principles governing the autonomy, independence, and financial transparency of the public railway infrastructure manager, the prohibition of cross-subsidisation of activities, or other legally established operational conditions.

2. Terms

- 2.1. The following terms are used in this Policy:

Term	Definition
LTG Group	A group of companies comprising JSC LTG and its directly and indirectly controlled corporate entities
National Security Compliance	A set of legal, technical, and organizational measures applied within the LTG Group to ensure that its activities do not contradict and comply with the legal requirements of the Republic of Lithuania and the mandates of state institutions related to national security assurance

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG


Term	Definition
Public railway infrastructure	Railway infrastructure which is intended to meet the needs of the public as well as economic entities (carriage of passengers, luggage and/or goods) and which is owned by the State of Lithuania
Critical Infrastructure	Railway networks, logistics centers, control and other technological systems managed, operated or maintained by the LTG Group, as well as other assets, the disruption or compromise of which may have a significant impact on the continuity of the LTG Group's operations, the safety of rail transport services, or may pose a threat to the national security of the Republic of Lithuania
National Security Sensitive Transaction	A transaction which, by its nature, scale, or the identity of the parties involved, may have or has a significant impact on the continuity of the company's operations, changes in the control of its management, information, technologies, or assets, and therefore poses a risk to the ability of the Republic of Lithuania or entities managing or servicing its strategic infrastructure to ensure national security
Security of Business Interests	The LTG Group's ability to safeguard its strategic, economic, technological, and business continuity-related interests against threats that may significantly impact the Group's stability, governance, the reliability of its critical infrastructure, and the assurance of national security
Personnel Reliability	A comprehensive assessment of LTG Group employees whose duties are related to functions critical to national security, classified information, strategic assets, or decision-making. This assessment covers legal, security, professional conduct, and loyalty aspects to ensure that these individuals do not pose a risk to the security of the Group's operations, the continuity of critical functions, or the assurance of national security
Classified information	Information that has been assigned a classification level in accordance with the procedure established by law, the disclosure of which could harm the security of the Republic of Lithuania, its defense capabilities, constitutional order, essential state or public interests, as well as the strategic, operational, or security interests of the LTG Group, and which is subject to special protection requirements established by the laws of the Republic of Lithuania
Business Resilience	The LTG Group's ability to ensure business continuity, maintain critical functions, and recover rapidly by effectively responding to internal and external threats, while also preserving reliable relationships with partners, suppliers, and other key stakeholders in compliance with national security requirements
Function	Top level activities of LTG Group (core functions, corporate functions and internal audit)

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

Term	Definition
Preparedness	The LTG Group’s institutional and operational readiness to timely identify, assess, and manage threats or disruptions, ensuring effective response, business continuity, and compliance with national security requirements
Object	An item with a set of attributes and connections with other objects within a model, e.g. function object or task object
National Security Interests of the Republic of Lithuania	Interests vital to the security of the State of Lithuania, encompassing the protection of state sovereignty, territorial integrity, constitutional order, societal stability, critical infrastructure, economic and energy systems, the information space, military capabilities, the well-being of the population, and fundamental rights and freedoms, as understood under the Law on the Fundamentals of National Security, the National Security Strategy, and other related legal acts
Entity	A natural or legal person, another organization, their subdivision, or a group of individuals with whom the LTG Group intends or may intend to cooperate, conclude transactions, or who otherwise participate in activities that may impact national security interests, the security of critical infrastructure, or the operational reliability of the LTG Group
Threat to the National Security of the Republic of Lithuania	Any action, situation, or circumstance that may compromise the sovereignty, territorial integrity, constitutional order, defense capabilities of the Republic of Lithuania, the security of state institutions, strategic sites, information systems or infrastructure, societal stability, or pose a threat to the vital interests of the state. The threat may be direct or indirect, external or internal, and may involve means of hybrid, economic, informational, cyber, or other forms of influence

3. General Provisions

- 3.1. **The purpose of the Policy** is to establish and consistently apply common principles, mechanisms, and responsibilities within the LTG Group that ensure the LTG Group’s compliance with national security requirements.
- 3.2. National Security Compliance within the LTG Group is implemented through specific compliance elements that affect relevant areas of activity with the aim of protecting objects important for ensuring national security.
- 3.3. **Objects important for National Security Compliance and the security of the LTG Group:**
 - 3.3.1. Personnel;
 - 3.3.2. Assets (including finances);
 - 3.3.3. Information;
 - 3.3.4. Activity;

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

3.3.5. Reputation.

3.4. **Areas of National Security Compliance:**

3.4.1. Personnel security;

3.4.2. Physical security;

3.4.3. Information security;

3.4.4. Cybersecurity;

3.4.5. Transactional/cooperation security;

3.4.6. Corruption prevention;

3.4.7. Business continuity.

3.5. **Elements of National Security Compliance:**

3.5.1. Critical Infrastructure Protection, aimed at ensuring the reliability of the LTG Group's critical infrastructure and its protection against physical, hybrid, and other security threats and risks;

3.5.2. Transaction Screening and Management, aimed at establishing operational principles and practices that ensure control over transactions important to national security and/or the security of the LTG Group;

3.5.3. Personnel Reliability, aimed at ensuring that access to security-sensitive functions and information is granted only to properly vetted individuals with impeccable reputations;

3.5.4. Classified Information Management, aimed at creating an effective system that complies with the requirements of legal acts regulating the protection of classified information;

3.5.5. Preparedness, aimed at integrating aspects of mobilization readiness and defense mobility into the activities of the LTG Group;

3.5.6. Cooperation with Institutions, aimed at ensuring continuous and structured cooperation with institutions responsible for national security assurance;

3.5.7. Cyber and Information Security, aimed at ensuring the protection of the LTG Group's information systems, technological networks, and information against cyber, technical, and informational threats;

3.5.8. Threat and Vulnerability Assessment, aimed at ensuring systematic identification of risks, determination of their significance, and justification of management decisions.

3.6. In order to ensure the protection of LTG's business interests as a National Security Sensitive Entity, risk management, compliance with legal acts, and the highest level of transparency and reliability, the decisions and governance of the LTG Group must comply with the following provisions:

3.6.1. The LTG Group cooperates only with entities that do not pose a threat to the national security interests of the Republic.

3.6.2. Decisions to refuse to enter into or perform transactions are based on legal requirements, the conclusions of the Coordination Commission for the Protection of Objects Important for Ensuring National Security (hereinafter – the Commission) or other competent authorities, and on available or received information, including official letters, recommendations, institutional positions, publicly available or analytical information about the transaction parties or their connections, where such information reasonably indicates that a specific entity, its activities, or associations pose or may pose a threat to the national security interests of the Republic. When applicable, internal LTG Group risk

 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

assessments or risk management practices shall also be taken into account. In cases where legal obligations arise from legal acts, including but not limited to the Railway Transport Code of the Republic, the Law on Competition of the Republic, public procurement legislation, and others, that require LTG Group to provide or acquire specific services, the Group shall fulfil the obligations set out in this paragraph without violating such binding legal obligations. If, after a transaction has been concluded, new or previously unknown or concealed circumstances arise that reasonably indicate the transaction does not comply with national security requirements, the LTG Group, after assessing the scope of legal obligations, shall initiate all necessary legal, organizational, or other measures to suspend or terminate the transaction or apply risk management measures to continue its execution.

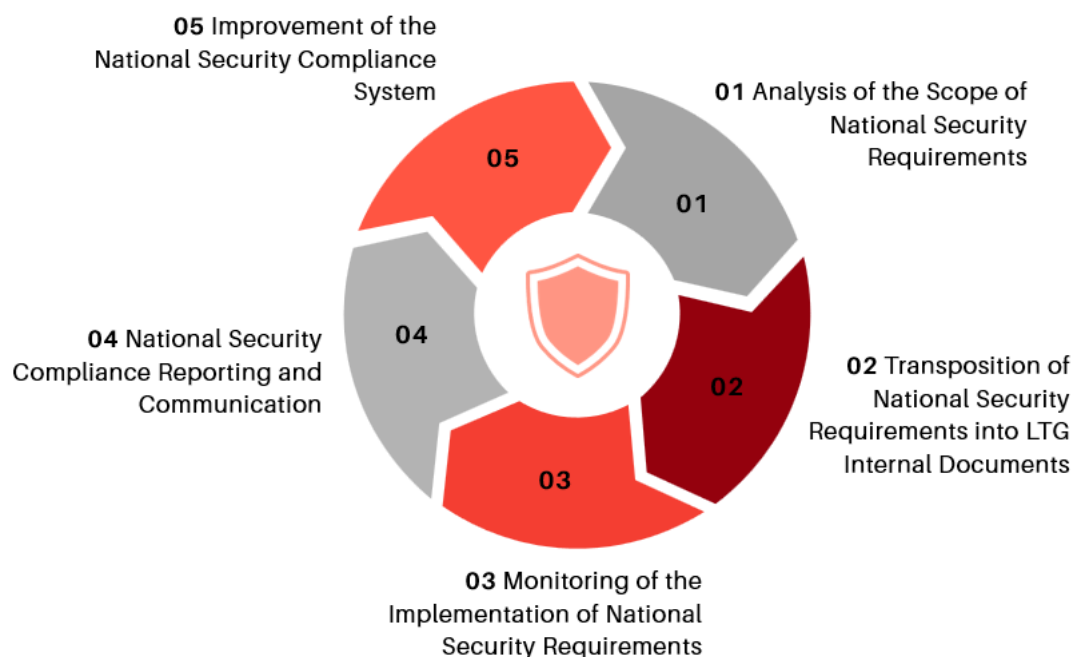
4. National Security Compliance Governance Model

- 4.1. The management of national security compliance activities within the LTG Group is based on the Three Lines Model, which ensures a clear distribution of responsibilities, coordination of activities, and consistent implementation of the Policy:
- 4.1.1. **The first line** consists of heads of departments, functions, and activities, who are responsible for applying national security requirements in their respective areas, assessing threats and vulnerabilities, and implementing appropriate management measures;
- 4.1.2. **The second line** consists of the business resilience function, including risk management, compliance activities, and the LTG Head of National Security Compliance, which coordinate, oversee, and advise the first line, as well as promote a culture of national security within the organization;
- 4.1.3. **The third line** consists of internal audit (where applicable) and external supervisory authorities (e.g., the State Security Department of the Republic, the Commission), which assess the effectiveness of the first and second lines and provide methodological recommendations or supervisory insights.



	LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy		P/FN14/LTG

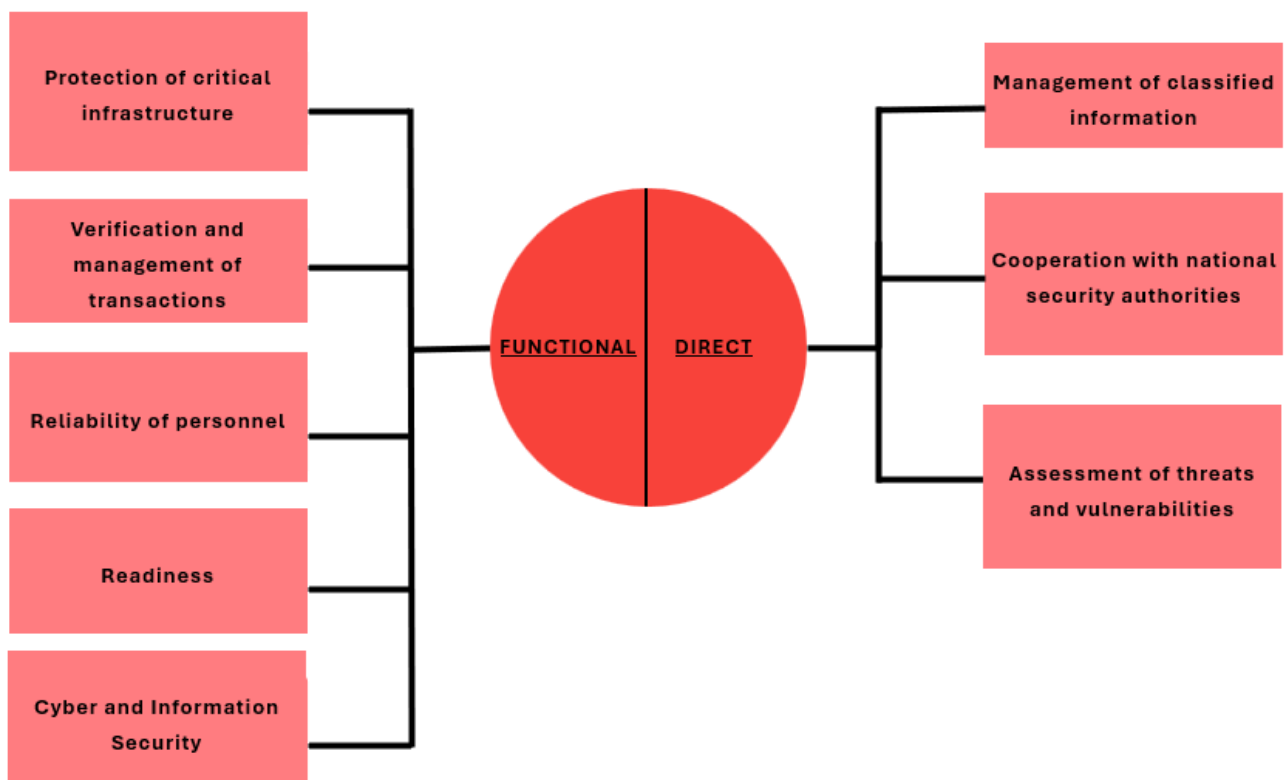
- 4.2. The National Security Compliance governance model defines the architecture of responsibilities, decision-making, implementation, and monitoring, designed to ensure a consistent national security compliance system within the LTG Group. The governance of national security compliance is centralized and standardized, while its implementation is partially centralized. The functioning of this model is based on a continuous circular cycle, the stages of which are illustrated in the diagram below:



- 4.3. The implementation of the Policy is the responsibility of the CEO of the LTG Group and the CEOs of all LTG Group companies. The LTG Director of Business Resilience ensures the implementation and control of the Policy. The coordination of the Policy's implementation, methodological oversight, and organization of activities related to national security compliance are carried out by the LTG Head of National Security Compliance.
- 4.4. The LTG Head of Risk and Compliance ensures that national security compliance requirements are integrated into the overall LTG risk and compliance management system, provides methodological support, monitors the quality of control mechanisms, and evaluates the effectiveness of managing risks related to national security.
- 4.5. The implementation and application of the Policy are defined in detailed internal legal acts (methodologies and processes), which are approved by the LTG Director of Business Resilience.
- 4.6. The Head of National Security Compliance is responsible for:
- 4.6.1. Coordinating the implementation of the Policy within the LTG Group, including the preparation, improvement, and oversight of the application of the methodology;
 - 4.6.2. Ensuring the relevance of the Policy's content and provisions, its consistent application within the LTG Group, and the alignment of internal documents with the Policy;

	LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy		P/FN14/LTG

- 4.6.3. Overseeing first-line control of national security compliance;
- 4.6.4. Assessing threats and vulnerabilities and providing information to the management;
- 4.6.5. Management of classified information;
- 4.6.6. Cooperation with institutions responsible for national security assurance.
- 4.7. The functions and responsibilities of the LTG Director of Business Resilience and the LTG Head of National Security Compliance, as set out in Sections 4.3 and 4.6.3–4.6.6 of the Policy, to the extent that they relate to contracts for the use of public railway infrastructure concluded by LTG Group companies performing the functions of the public railway infrastructure manager, shall be carried out by the responsible employees of those companies.
- 4.8. LTG operational managers are responsible for the proper implementation of the Policy at the level of their respective areas of responsibility, as well as for its integration into operational models and related documents.
- 4.9. The elements of national security compliance are divided into direct and functional, depending on the nature of tasks and the level of responsibility. The Head of National Security Compliance ensures both the direct execution of certain activities and the functional responsibility for coordinating other areas:
 - 4.9.1. **Direct** – includes the execution of activities, decision-making, and direct responsibility for their implementation;
 - 4.9.2. **Functional** – includes the establishment of requirements, coordination of implementation, and oversight of execution. In these areas, the LTG Head of National Security Compliance acts as the functionally responsible person (second line), ensuring that operational units comply with the established provisions.



 LIETUVOS GELEŽINKELIAI	JSC „Lietuvos geležinkeliai“ Risk and Compliance
National Security Compliance Policy	P/FN14/LTG

- 4.10. This structured approach helps ensure effective implementation of the Policy and promotes clarity of responsibility across all levels of governance.

5. Final Provisions

- 5.1. The Policy and any amendments thereto shall be approved by the LTG Board.
- 5.2. The review of the Policy is initiated and coordinated by the Business Resilience function.
- 5.3. The Policy shall be reviewed at least once per year or in the event of significant changes in the field of national security.
-