
 <b>LIETUVOS GELEŽINKELIAI</b>	<b>AB LIETUVOS GELEŽINKELIAI</b> Asset Management Services
Transport Management Policy	No. P/FN2/TVPC/1 Version 02

APPROVED

by decision of the Board of AB Lietuvos geležinkeliai  
of May 21<sup>st</sup>, 2024 No. SPR-VL(LTG)-14/2024

## TRANSPORT MANAGEMENT POLICY

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## 1. General Provisions

1.1. The purpose of this Transport Management Policy (hereinafter referred to as the Policy) is to set out the procedure and conditions for the allocation, use and control of Official Vehicles, Shared-Use Vehicles and Personal Vehicles allocated to the employees of the AB Lietuvos geležinkeliai Group.

1.2. This Policy shall apply to all Service Vehicles, Shared-Use Vehicles and Personal Vehicles. This Policy shall not govern the management of Production Vehicles.


1.3. In order to achieve uniform, transparent, efficient and responsible management of Vehicles within the LTG Group, all internal LTG Group documents regulating the management of Vehicles shall be consistent with the provisions of the Policy.

1.4. With respect to an LTG Group company acting as a public railway infrastructure manager, the provisions of this Policy shall be valid and applicable to the extent that they do not conflict with the legal requirements of impartiality in the management of the public railway infrastructure manager, of financial transparency, of the allocation of public railway infrastructure capacity, and of the calculation and payment of the minimum access package fee.

## 2. Terms

2.1. For the purposes of this Policy, the following terms shall have the following meaning:

Term	Definition
<b>Personal Vehicle</b>	The Use Right Agreement shall transfer to the LTG Group a vehicle owned under personal property rights or otherwise legally owned by the employee and used by the LTG Group employee to the extent necessary for the performance of his/her job functions.
<b>Shared-Use Vehicle</b>	A vehicle owned or otherwise legally controlled by the LTG Group, used by employees of several business units for short-term work arrangements, and allocated to an employee on prior request. Such vehicles shall also be used as substitutes to replace a Vehicle that has been involved in an accident or has broken down.
<b>Production Vehicle</b>	A vehicle owned or otherwise legally controlled by the LTG Group to support the day-to-day economic or technological activities of its business units.
<b>LTG</b>	AB Lietuvos geležinkeliai.
<b>LTG Group</b>	The LTG Group shall consist of AB Lietuvos geležinkeliai, AB LTG Infra, AB LTG Cargo, UAB LTG Link, UAB Rail Baltic statyba, UAB Geležinkelio tiesimo centras, UAB LTG Wagons, TOB LTG Cargo Ukraine, Sp. z o.o. LTG Cargo Polska
<b>H, T, A, B, C, D, E, F</b>	A group of numerical steps methodically assigned in the evaluation of positions (posts) and in the assignment of corporate level, indicated by a letter and a generic name (e.g. H – "Head of Holding" (General Manager of LTG); T – "Holding Management Board" ("T" includes LTG executives reporting directly to the General Manager of the Holding and the General Managers of the Business Units); Group A – "Senior Executives"; Group F – "Operational/Service Employees, Qualified Workers").
<b>Use Agreement Right</b>	An agreement for the use of a passenger car as a personal vehicle between a company within the LTG Group (the beneficiary) and an employee of the same company within the LTG Group (the lender).
<b>Service Vehicle</b>	A vehicle owned or otherwise legally controlled by the LTG Group and assigned to an employee of the LTG Group in accordance with the procedure laid down for the performance of the employee's job functions.

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Term	Definition
<b>Vehicle</b>	The vehicles referred to and defined in the Policy shall be the Service Vehicle, Shared-Use Vehicle, Personal Vehicle.
<b>Operational Unit</b>	A company belonging to the AB Lietuvos geležinkeliai group of companies, except LTG.

2.2. Depending on the context, concepts used in the singular may refer to concepts used in the plural, and vice versa.

### 3. Vehicle Management Objectives and Principles

3.1. Vehicle management objectives:

3.1.1. To efficiently manage the Vehicles necessary for the LTG Group's core functions and services, and to dispose of unnecessary Vehicles to maximise returns;

3.1.2. To provide vehicle management, administration and maintenance services in the most cost-effective way;

3.1.3. To promote the use of Shared-Use Vehicles and eco-friendly (electric) vehicles within the LTG Group;

3.1.4. To increase the number of electric vehicles in the fleet of Service Vehicles and Shared-Use Vehicles and encourage employees to choose electric vehicles;

3.1.5. To provide charging infrastructure for electric vehicles at LTG and Operational Unit facilities.

3.2. LTG Group's procurement of Vehicle Rental Services ensures compliance with the requirements of the Republic of Lithuania Law on Public Procurement and the basic principles of procurement, without limiting competition between potential suppliers of transport services. To ensure fair competition, apply non-discriminatory requirements for suppliers, makes and models, and assess the full cost of Vehicle and Maintenance and Operations services over the whole period in order to ensure that the LTG Group obtains these services on the most advantageous terms and adhere to the principles of transparency in the performance of Vehicle Operating Leasing Agreements.

3.3. LTG Group vehicles must comply with applicable safety requirements, be roadworthy, be in good working order, be equipped with safety features to ensure safe driving, and not endanger the health and life of employees and the public.

3.4. In order to manage its Vehicles and costs more efficiently, the LTG Group may use other transport alternatives, not covered by this Policy, by concluding contracts for the short-term rental of Vehicles and taxi services.


### 4. Vehicle Management Model, Allocation Principles and Conditions of Use

4.1. Vehicle management in the LTG Group shall be implemented in a standardised and centralised way, with the LTG Asset Management Services Asset Operations and Administration function responsible for transport management in the Group.

4.2. In the LTG Group, the use of Service and/or Shared-Use Vehicles shall be based on an operating lease, and other means of acquiring vehicles may also be chosen if they are transparent, meets other legal requirements, cost-effective and an analysis has been carried out to confirm this.

4.3. The LTG Group's preference in the purchase of Service and/or Shared-Use Vehicles shall be for environmentally friendly, electric vehicles where such vehicles are suitable for the performance of job functions.

*Procedures for the Allocation and Use of Service Vehicles*

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4.4. LTG Group employees shall be provided with Vehicles to carry out their job functions. Service Vehicles shall be divided into classes and standardised equipment. The principles of attribution and the detailed classification shall be set out in Annex 1 to the Policy.

4.5. Employees whose positions fall within the general grades H, T and A shall not be provided with a Service Vehicle. These positions shall be covered by a fixed monthly allowance. Such reimbursement shall be classified as a means of creating additional value for the employer and shall be a part of an incentive package. The amount of the reimbursement to be granted shall include the cost of the monthly operating rent, the average cost of maintenance, the cost of fuel or electricity, and the applicable taxes as set out in Annex 1 to this Policy. Detailed calculations shall be based on the methodology for calculating the cost of reimbursement for the Vehicle, which is determined separately. Such reimbursement shall be subject to the tax treatment of employees and the employer under current regulations. Reimbursements may be reviewed once a year if the market sees significant changes in fuel prices, insurance or other services.

4.6. Employees in the general groups B, C, D, E, F shall be provided with a Service Vehicle in order to ensure the performance of their duties and the necessity of the Service Vehicle (based on its availability). The assignment of employees who require a Service Vehicle for the performance of their duties shall be approved by the Heads of the Operational Units, taking into account the employee's job functions.

4.7. LTG Group employees using Service Vehicles shall be entitled to use them only for the performance of their job functions, subject to the exceptions set out in Clauses 4.8 and 4.9.

4.8. Upon reasoned request, employees whose positions fall within general groups B and C may be provided with a Service Vehicle for their return home and for personal use outside working hours (including use after working hours, at weekends and during holidays). In such a case, the employee shall be taxed in accordance with the procedure laid down by the legislation of the Republic of Lithuania, and shall reimburse the employee for the cost of the fuel used in the Service Vehicle for the purpose of returning home and for his/her personal use.

4.9. Upon reasoned request, staff members whose positions fall within general groups D, E and F may be provided with a Staff Transport Vehicle for their return home. In such a case, the employee shall be taxed in accordance with the procedure laid down by the legislation of the Republic of Lithuania and shall reimburse the cost of fuel for the use of the employee's Service Vehicle for the purpose of returning home.

4.10. The total mileage limit (for business and personal use) may not exceed the maximum mileage limit stipulated in the Vehicle Lease Agreement.

#### *Vehicle Management and Control*


4.11. The LTG and the Operational Units must designate employees responsible for the use of the Vehicles. In the absence of such employees, the Head of the Operational Unit shall be responsible for the use of the Vehicles.

4.12. Vehicle Management Systems must be installed in Service or Shared-Use Vehicles.

4.13. Service Vehicles shall be stored in the car parking lot adjacent to the workplace in the spaces reserved for them. Employees entitled to use the Service Vehicle for personal use or for returning home shall be provided with a Service Vehicle with the right to keep the vehicle at the employee's place of residence.

4.14. If the Service Vehicle is not permanently occupied, it may be used by employees in other functions within the LTG Group for the performance of their work functions, or the vehicle may be transferred to the Shared-Use Vehicle Fleet.

#### *Management of Shared-Use Vehicles*

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4.15. The number and type of Shared-Use Vehicles shall be determined for efficient use, based on occupancy data (average distance travelled, number of trips, etc.) from the Vehicle Management System (VMS) and the Vehicle Reservation System (VRS) (applications).

4.16. Shared-Use Vehicles shall be stored in the car parking lot adjacent to the workplace in their designated spaces.

4.17. The use of Shared-Use Vehicles for personal use shall be prohibited.

#### *Procedures and Conditions for the Use of Personal Vehicles for Work Purposes*

4.18. The LTG Group and an employee whose employment contract provides for passive home duty and requires the use of a vehicle for his/her work functions may agree on the use of the employee's Personal Vehicle by means of a Passenger Car Use Right Agreement.

4.19. When the Personal Vehicle is used for work functions, the LTG Group shall pay the fuel or electricity costs. The fuel consumption rate shall not exceed 8 l/100 km (the fuel consumption rates for vehicles set out in the Use Right Agreements concluded before the entry into force of this Policy shall remain unchanged and shall not be subject to the 8 l/100 km limit). Monthly mileage limits for personal vehicles for work functions shall be based on their work functions and/or place of residence (only if one of the employee's work functions is to be on duty at home), and shall be included in the Use Right Agreement.

4.20. All operating costs of the Personal Vehicle, including the cost of third-party liability insurance for the Personal Vehicle or the persons using it, with the exception of fuel, shall be borne by the employee.

#### *Liability and Indemnification of Damages*

4.21. Upon the request of the LTG Group, the employee shall indemnify the LTG Group company for any damage caused by the Employee's fault as a result of defects in the Vehicle's equipment and/or condition, in accordance with the procedure laid down by the legislation of the Republic of Lithuania.

4.22. In the event that it is established that the Vehicle has been used for personal purposes and/or in violation of other general principles set out in this Policy and/or other violations of the management and use of Vehicles, the employee shall be held liable in accordance with the procedure set out in the legislation of the Republic of Lithuania.

4.23. In all cases where the Vehicles are used for personal use, the compulsory taxes imposed by the legislation of the Republic of Lithuania on income received in kind shall be calculated and withheld from the employee's salary and remitted to the state budget by the LTG Group.

4.24. Employees of the LTG Group shall be personally liable and must pay all fines and/or other financial penalties related to violations of road traffic or other rules of the law of the Republic of Lithuania.

### **5. Final Provisions**



5.1. The Policy and its amendments shall be approved by the LTG Board.

5.2. The Policy shall be reviewed at least once a year and updated as required or in the event of major changes to the LTG strategy or changes in the relevant Lithuanian legislation.

5.3. The implementation of the Policy shall be monitored by LTG's Asset Management Services function.

5.4. The review and updating of the Policy shall be initiated and coordinated by the Asset Operations and Administration Operations function of LTG Asset Management Services.


5.5. The Policy shall apply to the extent that it does not conflict with the laws of the Republic of Lithuania and/or other applicable legal acts.

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5.6. The Policy shall be published on the LTG website.

Annex 1. Classes of Service Vehicles by General Group.

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Annex 1

### Classes of Service Vehicles by General Group.

Class	Features	Common position group	Period of operating lease agreement	Annual mileage limit, km
I2b2 or I3b	Electric vehicle, high specification, all-wheel drive	H	48 months	Up to 40,000
I2a	Electric vehicle, high specification, all-wheel drive	T		Up to 40,000
I1 or C1	Electric vehicle, medium specification	A		Up to 40,000
C1	Standard specification	B, C, D, E, F	48-60 months	Based on actual distance travelled
B1	Standard specification	B, C, D, E, F		
J12	Standard specification, all-wheel drive	B, C, D, E, F		
I1	Standard specification, all-wheel drive	B, C, D, E, F		

I2b2 – prestige medium SUVs;  
I3b – prestige large SUVs;  
I2a – compact and medium pseudo-SUVs and SUVs;  
I1 – small SUVs;  
C1 – compact cars;  
B1 – small cars;  
J12 – passenger multi-purpose monovolume vehicles.