

APPROVED by Order No STA-122-139
of 20 January 2017 of the general
manager of UAB Klaipėdos Smeltė

REGULATIONS OF THE SECURITY AND PERMIT SYSTEM OF KLAIPĖDOS SMELTĖ LIMITED LIABILITY COMPANY

I. GENERAL PROVISIONS

1.1. The Regulations of the Security and Permit System of Klaipėdos Smeltė Limited Liability Company (hereinafter the Company and/or LKAB Klaipėdos Smeltė) (hereinafter referred to as the Regulations) were drafted in accordance with:

- Law on Klaipėda State Seaport of the Republic of Lithuania;
- Law on Personal and Property Security of the Republic of Lithuania;
- Resolution No 126 of the Government of the Republic of Lithuania of 2 February 2001 “On Approval of the Rules for the operation of border control points“;
- Resolution No 490 of the Government of the Republic of Lithuania of 30 April 2001 “On Approval of Complex Security Plan for Klaipėda State Seaport (version of resolution No 1437 of the Government of the Republic of Lithuania of 6 October 2010);
- Resolution No 78 of the Government of the Republic of Lithuania of 22 January 1999 “On the approval of the Rules for transportation, storage and inspection of goods at the border inspection posts of Klaipėda State Seaport located in the port complex zones supervised by the customs” (version of resolution No 205 of the Government of the Republic of Lithuania of 3 March 2010, (effective from 19 February 2014):
- Resolution No 275 of the Government of the Republic of Lithuania of 10 March 1999 “On ensuring the protection of Klaipėda State Seaport“;
- Order No 3-70-(E) of the Minister of Transport and Communications of the Republic of Lithuania of 17 February 2014 “On Approval of the Rules for the use of Klaipėda State Seaport“;
- European Parliament and Council Regulation (EC) No 725/2004 of 2004-03-31 “On enhancement of security of ships and port facilities“;
- “Rules for access to the territory of the port complex users” approved by Order No V-238 of the Klaipėda State Seaport Authority of 16 December 2015.
- Technical requirements for the technical control system of Klaipėda State Seaport vehicle and pedestrian gates approved by Order No V-143 of Klaipėda State Seaport Authority of 3 July 2015.

1.2. The Regulations establish the regime of security and permit system in the port territory protected by the Company.

1.3. The provisions apply to legal entities whose activities relate to the facilities located in the port territory protected by the Company and to natural persons who work and visit the port territory leased by the Company.

1.4. All persons, before entering the port territory protected by the Company (with permits), must make themselves familiar with the regulations of the LKAB Klaipėdos Smeltė security and permit system, as well as the instructions for signing of the vehicle and pedestrian traffic safety in the territory of the Company.

1.5. The security and permit system regime applies to the Company’s protected port territory.

1.6. The security is organized by, and the Company is responsible for it. The operating regime of the Company’s security and publishing system is coordinated by Klaipėda State Seaport Authority (hereinafter referred to as the State Enterprise Klaipėda State Seaport

Authority). The operating regime of the company's security and permit system is controlled by the State Enterprise Klaipėda State Customs Service, Klaipėda Territorial Customs Authority. The Coast Guard Security Team of the State Border Guard Service (hereinafter the VSAT PAR).

1.7. Railway formations are admitted to (from) the Company's territory according to the separate procedure of the Company approved by AB Lietuvos geležinkeliai, UAB Gargždų geležinkelis.

1.8. The rules of the security and permit system ensure the effective implementation and enforcement of the LKAB Klaipėdos Smeltė port facility security plan in accordance with the requirements of the ISPS Code and other legislation.

1.9. The security is carried out by the security company UAB G4S Lietuva in accordance with the regulatory enactments of the Republic of Lithuania, listed in paragraph 1 and these Regulations.

1.10. The director general of the Company is responsible for the security and permit system.

1.11. The security, health and environment protection officer is responsible for preparation, implementation and organization of the regulations of the security and permit system. In absence of this officer, he is substituted by the responsible employee appointed in accordance with his/her competence. The security, health and environment protection officer is directly subordinate to the head of the security, health and environment protection service and the Company's director general (Annex 1).

1.12. The group manager of the security service (UAB G4S Lietuva) is responsible for the implementation of the provisions of the Security and permit system, effective protection of the territory of the Company and its material assets, control of the security service personnel, and organisation of their work. In order to ensure the protection of the Company in the operational management, the head of the security service groups is subordinated to the security, health and environment protection officer.

1.13. The shift senior of the security service (UAB G4S Lietuva) is responsible for the implementation of the provisions of the Security and permit system, effective protection of the Company's protected areas and material values, control of the security service shift personnel, and organisation of their work. (UAB G4S Lietuva), a senior officer. In ensuring the Company's protection, the security service shift senior reports directly to the security service group manager.

1.14. The company, UAB Birių krovinių terminalas, UAB Klaipėdos šaldytuvų terminalas forms an integral territory from quay No. 82 to quay No. 106. The control of the fence perimeter within the quays No. 82-100 is ensured by LKAB Klaipėdos Smeltė which is guarded by the security service UAB G4S Lietuva. The control of the fence perimeter within the limits of the quays No. 101-106 is ensured by UAB Birių krovinių terminalas, which is guarded by the security service UAB G4S Lietuva. LKAB Klaipėdos Smeltė uses the quays No. 82-100, UAB Birių krovinių terminalas uses quays No. 101-106. UAB Klaipėdos šaldytuvų terminalas together with the Company uses quay No. 100. Due to the nature of the general territory, the infrastructure of the internal access roads and railways, the territories of UAB Birių krovinių terminalas, UAB Klaipėdos šaldytuvų terminalas are not separated by perimeter fence. Territory boundaries are marked with information signs. Transport and pedestrians of UAB Birių krovinių terminalas, UAB Klaipėdos šaldytuvų terminalas engaged in the production processes (trucks transporting containers from/to UAB Birių krovinių terminalas to/from LKAB Klaipėdos Smeltė, cargo vehicles entering/leaving UAB Klaipėdos šaldytuvų terminalas, UAB Birių krovinių terminalas and UAB Klaipėdos šaldytuvų terminalas administration) permit through the territory of the Company in accordance with the approved scheme, having a company work certificate and a permit – a magnetic card.

1.15. The protected area of the company, its perimeter, quays provided in the scheme of the

part of the territory of Pilies border crossing point of LKAB Klaipėdos Smeltė, is approved by LKAB Klaipėdos Smeltė, UAB Birių krovinių terminalas, VĮ KVJUD, Klaipėda Territorial Customs and the VSAT PAR.

1.16. Transport and persons, travelling to the Company, are prohibited from travelling through UAB Birių krovinių terminalas unless it is approved in writing with the persons responsible from UAB Birių krovinių terminalas.

1.17. Objectives of the security and permit system:

1.17.1. By the established means to protect the port territory protected by the Company from potential terrorist, diversionary and other illegal actions that endanger passengers, ships and their operations. Employees of the Company and other enterprises, institutions, organizations and other persons located in the port territory protected by the Company, port infrastructure and state security;

1.17.2. prevent the unauthorized entry of ships into the port (exit from it), carriage and smuggling of illicit materials, firearms, ammunition, explosives, hazardous, radioactive materials or other strategic goods, toxic, highly active, narcotic, psychotropic, narcotic or psychotropic precursors (precursors) in the port, illegal traffic and illegal transportation of people. The list of items that are forbidden to enter (be brought in) the territory of the Company is provided (Annex 2);

1.17.3. to create favourable conditions for increasing transport throughput and cargo flows, to speed up the loading of cargo, to properly store and protect it;

1.17.4. Companies and other enterprises, institutions, organizations, whose activities relate to objects in the protected area, entry and exit of employees, interested persons and vehicles into the territory;

1.17.5. Material assets held in the port territory protected by the Company, supervision and control of their entry and exit;

1.17.6. Detention of individuals entering the Company's protected port territory without permits.

1.18. Definitions used in this Regulation:

18.1. permit document to (from) the port – a document (permit, work or official certificate, list of the ship's crew or list of passengers or crew marked by the official of the VSAT PAR), which authorizes persons and vehicles to enter or leave the territory of the Company and proving the legal stay of persons and vehicles in the port;

18.2. Permit inspector – inspector of safety, health and environment protection permits of LKAB Klaipėdos Smeltė issuing permits to enter the territory;

18.3. Other terms used in these regulations correspond to the terms listed in the documents referred to in paragraph 1.1.

II. TYPES OF PERMITS, THEIR VALIDITY AND PROCEDURE FOR ISSUING

2.1. The entry and exit of persons, the entry and exit of the transport, the import of (carrying in) and removal (carrying out) of material values is allowed only through the control security points, subject to the permit of the Company, except for the cases specified in paragraph 3.12. The permit is valid only in the port territory protected by the Company.

2.2. Permits for persons and transport are permanent, temporary and single entry. Material permits (hereinafter referred to as material permits) are issued for the goods (cargo). Material permits granting the right to import (bring in) material assets to (from) the port territory of the Company are single entry. The company, UAB Birių krovinių terminalas, UAB Klaipėdos šaldytuvų terminalas have their own certified material permits. Permits are numbered.

2.3. Permits (permanent, temporary, single entry) for persons and vehicles are magnetic cards (Annex 3).

2.4. In the event of failure of the data information accounting system or other contingencies, permanent, temporary, single entry permits are typographic (Annex 4).

2.5. Persons travelling in transport are issued transport permits. A company may also issue a unified license (one permit per person and per vehicle).

2.6. All permits are issued to individuals by name. Persons and transport permits may not be transferred to other persons. Permits without photos are valid only upon presentation of a personal identification document (with photo).

2.7. Samples of personal signatures of the director general of the Company and other staff authorized to issue permanent, temporary or single entry permits are submitted to the inspector of safety, health and environmental safety permits (hereinafter referred to as the permit officer) each year before January 10.

2.8. Samples of signatures of persons having the right to sign bills of lading and stamps of owners (managers) of material values approved by the general manager of the Company or an authorized person, shall be submitted to the permit officer and the security service (2 copies) by 10 January each year. Samples of signatures and stamps of new enterprises, institutions, organizations or new entrants must be submitted to the permit inspector and the security service (2 copies) within 3 business days after their change in accordance with the established procedure.

2.9. Permanent permits:

2.9.1. The following data is specified in the database when issuing a permanent permit to a person: purpose of the permit; Company name permit registration date and number; name; surname; photo; year of birth; company name' validity term; full name, position title of the person issuing the permit. Personal data used to identify individuals are processed only for the purposes of internal administration, without prejudice to the provisions of the Law on the Legal Protection of Personal Data of the Republic of Lithuania;

2.9.2. Permanent permits are issued to employees of the Company;

2.9.3. Permanent permits for transport are issued to natural and legal persons whose obligations or activities are constantly related to the objects in the protected port territory of the Company;

2.9.4. Permanent permits are issued to employees of the Company according to the lists (referrals) provided by personnel management and payment service employees;

2.9.5. Permanent permits for the transport of the Company's employees are issued only in exceptional cases on the basis of written requests in accordance with the resolution of the general director or the authorized person of the Company, respectively. These permits are issued for one year, but not later than till 31 December of the current year;

2.9.6. Permits for employees of other port companies, enterprises and organizations and their transport are issued on a regular basis in accordance with written requests of the heads of such organizations or other authorized persons with the resolution of the general director or the authorized person of the Company. These permits are issued in accordance with the approved permit fees issued by the Company for one year, but no more than till December 31 of the current year;

2.9.7. The permanent permit for transport issued to a natural person or employee of an enterprise, institution or organization must contain following information: purpose of the permit; name; permit registration date and number; vehicle make; state licence plate number; company name' validity term; full name, position title of the person issuing the permit;

2.9.8. Permanent permits are valid 24 hours a day;

2.9.9. If a person loses or damages a permanent permit, he must notify the permit inspector as soon as possible, but no later than within 3 business days;

2.9.10. An employee of the company, upon termination of an employment contract, must return the permanent permit to the permit inspector no later than on the last business day;

failing to do so, the permit is declared invalid;

2.9.11. Heads of other enterprises, institutions and organizations or their authorized persons are responsible for the accuracy of the information provided by them, ensure the issuance of permits only to employees of such organizations and, upon termination of the employment contracts with employees, return a permanent permit to the Company's permit inspector;

2.9.12. In the cases provided for in paragraphs 2.9.9-2.9.10 of these Regulations, the permit inspector immediately blocks the permit after the receipt of the information

2.10. Temporary and single entry permits:

2.10.1. The following data in the database must be specified in the temporary and single entry permit: purpose of the permit; Company logo and name; permit registration date and number; name; surname; year of birth; company name' validity term; full name, position title of the person issuing the permit;

2.10.2. Temporary permits are issued to persons who are authorized to enter/leave the Company's territory by foot or in a vehicle, according to the permit fees approved by the Company during the specified period and valid until the end of the calendar year. Temporary permits are valid only with the passport or other personal identification document (incl. photo);

2.10.3. Single entry permits are issued in order to allow the visitor to enter the port territory leased by the Company, once. Single permits are valid only with the accompanying passport or other identity document (incl. photo);

2.10.4. The employees of organizations servicing, repairing or constructing the objects owned by the VĮ KVVJUD, as well as the transport required for this purpose, shall be admitted to the work area by issuing them temporary or single entry permits free of charge in accordance with the list provided by the VĮ KVVJUD with the resolution of the general director or the authorized person of the Company;

2.10.5. Temporary and single entry permits for persons travelling to other departments of the VĮ KVVJUD in the port territory leased by the Company are issued according to written applications of the heads of these departments free of charge;

2.10.6. Temporary or single entry permits are issued to a crew member's family members and visitors of the ship moored in the port territory leased by the Company upon submission of a personal identification document in accordance with the ship's master;

2.10.7. Temporary or single permits for persons or transport of employees of other enterprises, institutions and organizations are issued in accordance with written requests of the heads of such organizations, other authorized persons, with the resolution of the general director or the authorized person of the Company;

2.10.8. Temporary and single entry permits for a person or a vehicle can be issued for a fixed fee upon a written request, indicating the purpose and object of access to the port territory leased by the Company;

2.10.9. Temporary and single entry permits for a person or vehicle are issued free of charge only at the instruction of the director general of the Company or authorized persons;

2.11. Material permits;

2.11.1. Material permits entitle to import (bring in) or export (bring out) material values.

2.11.2. The material permit must contain the following details:

2.11.2.1. name of the port complex user;

2.11.2.2. name of freight forwarder;

2.11.2.3. permit number;

2.11.2.4. vehicle licence plate number;

2.11.2.5. trailer registration licence plate number;

2.11.2.6. container no.

2.11.2.7. seal number;

- 2.11.2.8. name of the ship or other means of transport bringing in the goods (cargo);
- 2.11.2.9. date of arrival of the ship or other vehicle;
- 2.11.2.10. waybill number;
- 2.11.2.11. position number (in the freight manifest);
- 2.11.2.12. number of customs document or document certifying the status of goods;
- 2.11.2.13. goods (cargo) status (European Union, non- European Union);
- 2.11.2.14. the entry “Empty” if the vehicle is empty;
- 2.11.2.15. product name, quantity;
- 2.11.2.16. date and time of issue of the permit;
- 2.11.2.17. full name of the person issuing the permit;
- 2.11.2.18. full name and signature of the driver who received the permit;
- 2.11.2.19. full name, signature of security employee;
- 2.11.2.20. date and time of crossing of the gate by the vehicle.

2.11.3. Data on goods, empty containers transported in and out by all means of transport, persons crossing the state border shall be provided by means of accounting and accumulation of electronic data in the Cargo and Information System of the Republic of Lithuania (hereinafter referred to as the KIPIS) established by the VĮ KVVJUD. Permits for vehicles to enter and leave the Company’s territory are granted by KIPIS. The material permits indicated in paragraph 2.1.1 are used only if the KIPIS is not operating.

2.11.4. If the KIPIS is not operating, two types of material permits are issued: for the goods requiring customs formalities (including the Union goods requiring the submission of a document certifying the customs status of the Union goods) and goods not subject to customs formalities (i.e. goods brought by regular shipping lines that are authorized to set up in accordance with Article 120 of the Commission Regulation (EU) No 2015/2446 of 28 July 2015 supplementing the European Parliament and Council Regulation (EU) No 952/2013 with the detailed rules for refining some of the provisions of the Union Customs Code, as well as the Union goods used for the Company’s needs or intended for carriage by sea to other ports in the customs territory of the Union). Material permits are issued in 2 (two) copies, one copy of which is kept by the Security Service, and the second copy is left to the issuing Company.

2.11.5. Material values (goods) are allowed to be imported (brought in) or removed (brought out) to/from the port territory leased by the Company upon submission of material permit or, in the cases specified in these Regulations, in accordance with other documents, one copy of which is marked and registered with the security service and transferred to the permit inspector. Examples of material permits are set out in the Company’s Regulations of security and permit system (Annex 5). Permit for import (bringing in) or removal (bringing out) of the goods not under the customs supervision and Community goods which are used by the Company for own need or intended to be transported by sea to other Community ports may be used as a cargo waybill. Permits of different colours are used for the identification of goods (cargo) under customs supervision and not. A railway bill of lading may be used as a permit for goods arriving (leaving) by rail.

2.11.6. The Company ensures that upon issuance of the permit to foreigners for access to the port territory leased by the Company, information about this is submitted to the VSAT PAR (according to separate agreements between the Company and the VSAT PAR).

2.11.7. Permanent, temporary and single entry permits are issued only upon submission of the application and ID.

2.11.8. At the request of the customs, VSAT PAR officials, employees of the port regime department of VĮ KVVJUD, the Company’s responsible staff shall provide the necessary information on the persons and vehicles entering or leaving to/from the port territory through the road transport, railway and pedestrian gates, issuance of permits and records to logbooks,

or provides access to the data stored in the technical control system databases, if necessary, provide copies of such stored data.

III. PROCEDURE FOR ADMISSION OF PERSONS AND VEHICLES TO THE PORT AREA PROTECTED BY THE COMPANY

3.1. Entrance and exit of people, transport is allowed only through the control points of the gate 1 KSM P1, 1 KSM P2, 1 KSM A2, 1 KSM A4, upon receipt of the corresponding permit of the Company. When entering/leaving the person must mark his permit and permits of other person in the vehicle (if any) at the corresponding scanner. Notification of his entry/exit is recorded in the database of the access control system. After checking the vehicle and the persons in it, the security guard confirms with his card that the vehicle and the persons present therein are checked. If all marked permits are valid, the barrier is lifted. Material permit does not entitle to enter the port territory leased by the Company.

3.2. Permits to enter the Company's territory are issued in accordance with the regulations of the security and permit system approved by the Company.

3.3. Persons who have permanent or temporary permits, upon termination of their activity or employment relationship with the Company and other companies located therein, must return the permits to the Company's permit inspector on the date when the employment relationship is terminated.

3.4. A person who has submitted an invalid permit shall not be allowed into the port territory protected by the Company.

After detaining a person entering or leaving the port territory protected by the Company with an invalid permit, permit of another person or vehicle, such permit is seized and marked in the database as invalid. A person is detained, a protocol is drafted and the Sea Port Police of Klaipėda County Police Headquarters and the VSAT PAR port pike are informed thereof. These breaches of the security and permit system are recorded in accordance with the procedure set out in paragraph 6.3.

3.5. A person suspected of being under the influence of alcohol, who is intoxicated with narcotic or toxic substances, is not allowed into the port territory protected by the Company.

3.6. Persons departing from and to the port territory protected by the Company shall submit them to the security service for inspection.

3.7. Transport of persons entering and leaving the port territory protected by the Company are inspected. When entering the territory, the person stops the vehicle at the designated horizontal road marking line, the driver marks his permit and permits of other person in the vehicle (if any) on the appropriate scanner. Notice of arrival to the territory is recorded in the Company's general database. The security guard looks at the video monitor to verify that the data of the arriving person/vehicle are recorded in the database, and checks the persons in the vehicle. If all marked permits are valid, the security guard confirms it with his card and raises the barrier. Permits for persons leaving the territory are checked in the same manner as those entering the territory.

3.8. Persons and vehicles arriving to the Republic of Lithuania are released from the territory of the Company, and departing from the Republic of Lithuania to the navigating means shall be admitted only after they have completed all statutory inspections, except:

3.8.1. Regular checking of persons on board or departing on regular shipping lines authorized to be established in accordance with Commission's delegated Regulation (EU) No 2015/2446 of 28 July 2015 amending the European Parliament and of the Council Regulation (EU) No 952/2013 with detailed rules clarifying certain provisions of the Union Customs Code, Article 120.

3.9. If, after departing from the Republic of Lithuania, persons sailing on board are

inspected, the checks must be completed before the departure of the ship.

3.10. Ship crew members and passengers arriving to Klaipėda State Seaport are allowed to enter and leave the Company's territory on the basis of the crew or passenger lists with the dated stamps of the VSAT PAR officials and upon furnishing with the travel document. Such lists dated stamps of the VSAT PAR officials, submitted directly from the VSAT PAR Port pike e-mail (portopub@vsat.vrm.lt) or other telecommunication means to the security posts (tel. 846344445; fax 8 46 400169) have the same legal power as the lists submitted in paper forms. Documents in the guard post are retained only when the ship is moored at the Company's quays.

3.11. The employees of the Company's security service detain and ensure the protection of persons, vehicles and goods carried by them, which have been identified as been exposed to ionizing radiation at the measurement gates (based on the alarm signals sent according to special equipment installed by the security staff at stationary posts), and have the increased radiation level, until the arrival of the VSAT PAR officials or until obtaining the permit of the said officials for travel of detained persons, vehicles or goods.

The Company, at the instruction (upon request) of the officers, detains an empty wagon and/or cargo brought in territory of the Company with increased radiation level established at the ionizing radiation gates, and ensures its protection till the arrival of the officers of the VSAT PAR or receipt of the permit from the said officials to carry the detained wagon and/or goods. At the request of the VSAT PAR officer, the Company's security service staff provides additional information about the object emitting increased ionizing radiation (cargo, route, etc.).

Official transport is admitted to the territory without waiting in a queue.

3.12. Officials of state institutions, bailiffs and their official transport are admitted to the port for performing official duties with official (work) certificates.

Rescue, emergency and ambulance vehicles and their service staff is admitted to the territory without permits when arriving on-call.

Port Authority employees are admitted to the Company's territory upon submission of work certificates of employees of the Port Authority, and official vehicles of the authority are admitted upon presentation of the permits issued by the Port Authority.

Persons brought by the state officials carrying out inspection for inspection are also allowed to enter without permits to the premises of these institutions for performing procedural actions provided for in legislation;

3.13. Persons accompanied by the head of the customs post (shift chief) or the port pike commander of the VSAT PAR or his authorized officer are allowed to enter the Company's territory without prior notice to the Company;

3.14. Delegations or excursions with motor vehicles if they are accompanied by employees authorized by the Company or the VĮ KVVJUD are admitted according to the list provided in agreement with the Company's general director or his authorized person;

3.15. Port visitors must go (drive) to the destination by the shortest route, in accordance with the Company's transport traffic scheme.

3.16. The security service controls the departure of persons who have entered the leased territory under single entry permits. If they do not leave at a specified time, their search is organized. The port pike of the VSAT PAR and the Port Police of Klaipėda County police headquarters are immediately informed.

3.17. Vehicles of the company's employees, other companies, institutions and organizations and private vehicles are parked only in specially equipped parking. It is strictly forbidden to park vehicles in the transshipment area, i.e. on quays at the ships, wagons and warehouses where loading and unloading operations take place.

3.18. It is prohibited to film, draw, paint, paint or otherwise mark the port's objects, territory,

buildings in the port area leased by the Company, without the permit of the director general of the Company, his authorized person or the VĮ KVVJUD.

3.19. Passengers arriving to the ships moored in the Company's territory are admitted to the territory upon issue of single entry permits or on the basis of a the list of passengers submitted in advance in accordance with paragraph 3.11.

3.20. The inspection of empty containers (tare) is carried out by the security service personnel and in case of suspicion that persons, goods or objects can be transported in these containers, the VSAT PAR and customs officials are invited and informed about the factors that caused suspicion.

VSAT PAR and customs officers perform selective inspection of incoming/outgoing empty containers.

3.21. The visits of foreign warships are carried out in accordance with the procedure established by the Government of the Republic of Lithuania.

IV. PROCEDURE OF BRINGING IN/OUT AND STORAGE OF MATERIAL VALUES

4.1. Cargoes and other material values are brought into the port territory protected by the Company and are exported (removed) from it in accordance with material permits, only through the control points, upon receipt of the corresponding permit of the Company.

4.2. When goods are brought in by road, the forwarder or driver accompanying it provides a travel document and a personal identification document at the control point and the security service registers it in the registration log-book and/or in accordance with the general procedure, and/or the general permit is issued for the person and transport to enter the Company.

Road transport is provided for inspection. When bringing in material values to the territory of the Company, this must be indicated in the security post.

4.3. When leaving (bringing out) material values from the territory of the Company, the material permit is marked with a stamp (containing the record details of G4S Lietuva, date, hour, security service employee's name, signature) at the security control point and recorded in the corresponding log-book. The marked material permit is transferred to the permit inspector. The permit inspector receives the permits, numbers and handouts them for archiving.

4.4. The security officer checks whether the date, name of the values, quantity, signatures are present, also checks their compliance with the examples, and makes the corresponding entries in the material permit.

4.5. The employee of the security service, after checking the permit for the removal of material values and personal documents, reviews the items to be carried out and makes an entry in the log-book of the goods brought in or out.

4.6. For protection of values on board of ships, each ship moored in the Company's territory must have one of the crew members or security personnel hired by the ship owner on duty.

4.7. Company employees are allowed to bring special clothes to their homes (to remove defects) according to written applications from their department managers.

V. PROCEDURE FOR ACCEPTANCE, RELEASE OF MATERIALS VALUES (GOODS) IN THE CUSTOMS SUPERVISED AREA AND ACCESS TO THE ZONE

5.1. All goods, goods and other valuables imported, exported and transiting through the port, as well as other valuables, all types of vehicles and persons crossing the state border must

arrive through border inspection posts and customs posts in accordance with the Rules for transportation, storage and inspection of goods at the border inspection posts of Klaipėda State Seaport located in the port complex zones supervised by the customs, approved by resolution No 78 of the Government of the Republic of Lithuania of 22 January 1999 (version of resolution No 205 of the Government of the Republic of Lithuania of 3 March 2010, effective from 19 February 2014). Data on goods transported through the port by all means of transport, empty containers and vehicles, persons crossing the state border are recorded and accounted for by the KIPIS.

5.2. Non-European Union goods (cargo) are admitted and released to the customs-supervised areas only with the documents issued by the customs authorities. Goods (cargo) can be unloaded from the vehicles transporting them only with the permit of the customs authorities, and non-European Union goods controlled by if the State Food and Veterinary Service and/or the State Plant Service, only with the consent of the customs authorities and the relevant goods control service.

5.3. When goods are removed, when data on goods transported through the port by all means of transport, empty containers and vehicles, as well as data on persons crossing the state border, are recorded and accounted for by the KIPIS, the customs officer issues a permit to remove the goods in the KIPIS system and the material permit is not marked.

5.4. If the KIPIS is not functioning, the material permits issued by the port complex user for the removal of goods (cargo) from the Company are marked by the customs officer's personal stamp, signature and date indicating the number of the customs document or the document certifying the status of goods in the following cases:

- when removing non-European Union goods (except for the goods brought by regular shipping lines that are authorized to be set up under Commission's delegated Regulation (EU) No 2015/2446 of 28 July 2015 amending the European Parliament and of the Council Regulation (EU) No 952/2013 with detailed rules clarifying certain provisions of the Union Customs Code, Article 120);

- when removing the European Union goods (except for the goods brought by regular shipping lines that are authorized to be set up under Commission's delegated Regulation (EU) No 2015/2446 of 28 July 2015 amending the European Parliament and of the Council Regulation (EU) No 952/2013 with detailed rules clarifying certain provisions of the Union Customs Code, Article 120 and European Union goods that are used by the Company).

5.5. The security officer may release the goods (cargo) under customs control noting the departure in the KIPIS and if the KIPIS is not operative, only after making sure that the material permits are marked in accordance with paragraph 5.3 of the rules and must retain one copy of the material permit, store it in accordance with the established procedure and transfer to the permits inspector at the end of the shift.

5.6. If goods (cargo) transported by rail are subject to customs control, they can only be released from the territory if the transport documents for the goods transported by rail, the examples of which are indicated (Annex 5), are marked with the stamp of the customs office and signed by the customs official.

5.7. When non-Union goods (cargo) are delivered into the customs-controlled area by road, and unloaded, empty transport is checked in accordance with the established procedure and is allowed to leave only when all the necessary formalities have been completed in the KIPIS and the crossing of the KIPIS gate has been marked. If the KIPIS is not functioning, the carrier of goods (cargo) carrier must have a transport document (consignment note, CMR), marked with a stamp of the customs officer with the text "AUTHORIZED FOR PLACEMENT" or, in certain cases, "AUTHORIZED TO UNLOAD" and the stamps of the warehouses.

5.8. Non European Union goods (cargo) brought into the customs control zones of the port

complex user are primarily directed at customs clearance, and if the non-Union goods are controlled by the State Food and Veterinary Service and/or the State Plant Crop Production Office – also for the formalities of these authorities.

5.9. Non-European Union goods (cargo) may be unloaded, reloaded and transhipped only with the permit of the customs authorities in the port complexes under the customs control, and if the non-European goods are controlled by the State Food and Veterinary Service and/or the State Plant Protection Service, the loading is carried out only upon receipt of the consent of the customs and corresponding controlling authority. The goods (cargo) are unloaded, unpacked, checked only at customs-specified and customs-approved locations.

5.10. Personal belongings of crew members (except for regular shipping lines authorized in accordance with Commission Regulation (EU) No 2015/2446 of 28 July 2015 supplementing the European Parliament and Council Regulation (EU) No 952/2013 with the detailed rules for refining some of the provisions of the European Union Customs Code, Article 120) belongings can be brought from the port with the certificate issued by the ship's administration, endorsed by the customs official's personal stamp, signature and date. Ship crew members and passengers (except those arriving/departing from the abovementioned regular shipping lines) must declare items transported to (from) the customs control zone (s) of the border inspection post located in the port (s), in accordance with the Rules for the exemption from customs duties of goods and items carried by travellers and other natural persons approved by resolution No 968 of the Government of the Republic of Lithuania of 18 August 2004, and Rules for taxation of value added tax and excise duty on goods imported by travellers, approved by resolution No 439 of the Government of the Republic of Lithuania of 16 April 2004.

5.11. Remove empty containers, linen, and other supplies from the ship (excluding the ships operating regular shipping lines authorized to be set up under Commission Regulation (EU) No 2015/2446 of 28 July 2015 supplementing the European Parliament and Council Regulation (EU) No 952/2013 with the detailed rules for refining some of the provisions of the European Union Customs Code, Article 120) only with the permit of the customs authorities; they can be taken from the port area after the documents with the signature and seal of the ship's captain or his assistant have been presented.

5.12. Food, plant and animal products, narcotic and psychotropic substances, weapons, pyrotechnics, dangerous goods, cultural and geological values, money are transported through the port and stored in accordance with specific rules adopted in accordance with legislation for each of these goods. Import and export of cargo, secret and strategic goods (cargo) by diplomatic mail and cargo, foreign military (including dangerous ones according to the list of hazardous substances drawn up by the United Nations Committee of Experts) across the state border of the Republic of Lithuania are regulated by special legislation (permits, certificates, etc. issued by state authorities in accordance with this legislation is necessary for their entry and exit).

5.13. Stock on ships departing on international routes shall be supplied in accordance with the Rules for the supplies for ships and aircraft and supply of stock for repair, testing, operation and maintenance of aircraft used for the manufacture of aircraft approved by resolution No 792 of the Government of the Republic of Lithuania of 14 May 2003, when the Union goods are supplied to them as supplies and the procedure established in order No 1B-852 of 29 December 2005 of the director general of the Customs Department when non-European Union goods are supplied as stock for ships and/or aircraft carrying passengers and/or cargo on international routes.

5.14. Ship generated waste and cargo residues are managed in accordance with the approved by order No 3-411/346 of the Minister of Transport and Communications of the Republic of Lithuania of 9 July 2003 On approval of the regulations for ship-generated waste and cargo

residues and can be loaded on board, unloaded from a ship, transferred from one ship to another only with the authorisation of the customs and following customs inspection and clearance in accordance with the established procedure (excluding the ships operating regular shipping lines authorized to be set up under Commission's delegated Regulation (EU) No 2015/2446 of 28 July 2015 amending the European Parliament and of the Council Regulation (EU) No 952/2013 with detailed rules clarifying certain provisions of the Union Customs Code, Article 120). Food waste may be unloaded from the ship to the customs territory of the Republic of Lithuania only after informing the State Food and Veterinary Service.

5.15. Until the ship is in the port, it is prohibited to bring into/out of the Republic of Lithuania, to unload or otherwise transfer to the shore and from the ship to another ship non-European Union goods or merchandise, the status of which is to be proved.

5.16. European Union or non-Union goods placed under the Community or common transit procedure in another European Union member state transferred from the port area under the control of the customs authorities are checked and released as a matter of priority.

5.17. Vehicles and other goods arrested by officials of the customs and VSAT PAR are handed over to the Company's authorized person for parking. The Company ensures the protection of cargo and vehicles detained by the VSAT PAR and the customs authorities free of charge. Owners of vehicles or cargo not admitted to the Republic of Lithuania by VSAT PAR officials transfer these vehicles or cargo to the authorized person of the Company for storage.

VI. DETENTION of PERSONS FOR INFRINGEMENT OF THE SECURITY AND PERMIT SYSTEM

6.1. Persons who unlawfully entered the port territory leased by the Company or otherwise violated the provisions of the system of security and permit system, are detained.

6.2. The security service is called upon detaining persons for violations of the provisions of the security and permit system in the port territory leased by the Company. In case of need, officers of the Sea Port Police of Klaipėda County Police Headquarters are invited.

6.3. The security service staff records all events related to breaches of the permit regime in a special log-book. This information must be provided to the officers of the Customs, VSAT PAR and the Sea Port Police of Klaipėda County Police Headquarters, as well as to the employees of the Port Authority upon request.

6.4. After detaining a person who has no permit to leave, to bring material values, officers of the Sea Port Police of Klaipėda County Police Headquarters, to whom the offense determination statement is transmitted, and the customs post officer (if the goods are under the customs control) are invited. In addition, when it is established that ship crew members or other persons attempt to bring goods outside the European Union and/or export new items (goods) without the purchase documents from the port user's territory, they must inform the customs post officers.

6.5. The report is drafted in the case of export or removal of material values without necessary documents or for other justifiable reasons:

6.5.1. for Company's employees – in 3 copies (for the Company's safety, health and environment protection service, security service, police);

6.5.2. for other persons – in 2 copies (for the security service, the police).

6.6. The permit to the territory of the Company may be revoked for violations of the security and permit system, violations of the internal rules of procedure. If the persons committing such violations were admitted via the mediation of the VĮ KVVJUD, the port regime division of the VĮ KVVJUD is informed.

6.7. The security service informs the VSAT PAR and the Seaport Police of Klaipėda County

Police Headquarters of the persons illegally entering the port territory leased by the Company.

6.8. Persons, vehicles crossing the border of the Republic of Lithuania and attempting to avoid border and customs checks, are detained and transferred to the VSAT PAR and customs officers.

VII. PROCEDURE FOR USING COERCION, SPECIAL MEASURES AND FIREARMS BY THE SECURITY SERVICE STAFF

7.1. Employees of the Security Service have the right, on the grounds of Law No. IX-2327 and other legislation to use physical coercion, to store, carry and use special equipment and firearms.

7.2. The requirements of the law governing the mandatory defence and mandatory necessity apply to the employee of the security service who has used physical coercion, special measures or firearms.

7.3. If there are grounds of using physical coercion, special measures or firearms, the safety officer must warn the suspected offender about the intention to use physical coercion, special measures or firearms. If this person does not comply with the instructions of the guarantor for the implementation of the rights and obligations granted to him by the legislation, except for the cases where delays threaten the safety or health of the employee or the protected subject, or the life or health of the persons in the protected facility, or it is impossible to warn.

7.4. The employee of the security service, having regard to the dangers of a particular situation, must ensure that a person who endangers a protected subject or object, violates public order or resists arrest, uses both measures and to the extent necessary terminates the unlawful acts and neutralises the resistance of the detained person

7.5. An employee of the security service must, through physical coercion, using special measures or a firearm, try to avoid health disruption and human death.

7.6. It is **PROHIBITED** for a security officer to perform armed guarding of persons and property with firearms acquired for non-professional activities (personal).

7.7. **SECURITY SERVICE STAFF HAS THE RIGHT TO USE PHYSICAL COERCION AND SPECIAL MEASURES IN THE FOLLOWING CASES:**

7.7.1. resisting an attempt threatening his health or life, as well as an attempt to deprive him of a special measure and/or a firearm;

7.7.2. resisting the attack of the protected objects;

7.7.3. detaining the suspected offender if he avoids detention with his actions;

7.7.4. removing from the protected objects the persons who do not comply with the established rules, if these persons do not comply with the lawful requirements of the security employee.

7.8. It is **PROHIBITED** to use special measures against women if it is obvious that they are pregnant, as well as against persons, if it is obvious that they are disabled, against minors, if their age is known or the appearance is consistent with age, except when such persons resist in a way dangerous to human life or health or when a group of such persons is attacked and this assault threatens human life or health.

7.9. Service dogs can be used only for the protection of protected objects or persons in the protected objects.

7.10. An employee of security service may use handcuffs for detaining or delivering a person suspected of a criminal offense to the police if that person resists to detention or if there is reason to believe that he may resist or harm himself.

7.11. **THE SECURITY SERVICE employee has the right TO USE A FIREARM AS AN EXCLUSIVE MEANS IN THE FOLLOWING CASES:**

- 7.11.1. resisting an attempt or armed attack on the protected object that endangers his life;
- 7.11.2. detaining a person suspected of committing a criminal offense, if he actively avoids detention.
- 7.12. The security officer has the right to use a firearm against animals that endanger his life.
- 7.13. A firearm, with the exception of warning shots, cannot be used against a suspected offender who avoids arrest only by fleeing from the security officer without endangering his or her life or the protected subject.
- 7.14. It is PROHIBITED to use a firearm in crowded places, if it is likely to harm bystanders, against a woman if it is obvious that she is pregnant, as well as against persons, if it is obvious that they are disabled, against minors, if their age is known or the appearance is consistent with age, except when such persons resist in a way dangerous to human life or health or when a group of such persons is attacked and this assault threatens human life or health.

VIII. ACCOUNTING AND STORAGE OF DATA OF PERMIT ISSUE

- 8.1. The permit inspector carries out the registration of issued permanent, temporary and single entry permits, electronic card type permits, and the registration of accounting in log-books and in the computer database.
- 8.2. All permits taken by the security service are transferred to the permits inspector. The permit inspector must mark the return of permits in the registration log-books and in the computer database.
- 8.3. The inspector reports to the financial and accounting services on a monthly basis for the use of strict reporting forms.
- 8.4. Permits and stamps are stored in safes or in metal cabinets.
- 8.5. The permit inspector and employees of the security service are prohibited from providing information about the transportation of material values without the permit of the general manager or authorized person of the Company.
If necessary, documents of material values or certificates shall be issued only upon order of the general director or authorized person of the Company.
- 8.6. The following documents are stored at the control points of the Company: Regulations of the security and permit system, bound and stamped log-book of duty, log-book of transportation of material values, examples of signatures and seals of persons authorized to sign material permits, examples of permits, safety instructions for employees.
- 8.7. Data and permits for removal (export) of material values must be retained in the Company for 10 years.

IX. CHECK OF DOCUMENTS

- 9.1. Officials of the Port regime department of the VĮ KVJUD, VSAT PAR, Klaipėda Regional customs, Klaipėda county board of the State Security Department of the Republic of Lithuania, Seaport Police of Klaipėda County Police Headquarters, Company's security officers have the right to inspect documents of persons and vehicles proving their legal presence in the Company's protected area.
- 9.2. The head of the shift of the security service shall notify the officers of the Company, the Coastal Guard, Seaport Police of Klaipėda County Police Headquarters, and, if necessary, other control bodies, depending on the situation, of any suspicious persons or illegal entry into the Company's protected area.
- 9.3. The Company's security service has the right to inspect documents of persons and vehicles proving legal presence in the port only in the territory protected by the Company, which it is entrusted to protect with protection and where the permits issued by these services are valid.

9.4. Port regime control authorities may provide information to the Company on persons who cannot be granted permits to enter the territory of the port land users.

X. CONTROL POINTS OF PROTECTION AND ACCESS

10.1. The Company's territory is protected for 24 hours per day.

10.2. Gateways assigned to the company: for vehicles 1 KSM A1, P; 1 KSM A2; 1 KSM A4; 1 KSM A5; for railway 1 KSM G1; 1 KSM G2; 1 KSM G3; for fire brigade 2 KSM A1; 2 KSM A2; for pedestrians 1 KSM P 1; KSM 1 P2.

10.3. In the perimeter part of the Company and UAB Centrinis Klaipėdos terminalas, the gate for fire brigade 2 CKT A4 is installed and assigned to UAB Centrinis Klaipėdos terminalas. Gateway 2CKT A4 may be opened at the request of the UAB Centrinis Klaipėdos terminalas only in case of production necessity, with the approval of LKAB Klaipėdos Smeltė and upon receipt of permits issued by the customs and VĮ KVVJUD. While the opening of the gates, the Company ensures the security of the gates (security response team) in order to prevent unauthorized access of vehicles or persons.

10.4. There are 3 checkpoints to ensure the protection of the Company's territory and perimeter, which ensure the control of pedestrian passage, vehicle passage and railway control points. Checkpoints operate 24 hours a day, providing the regime of security and permit system in the Company.

10.5. The central control point is the central cargo transport/entry gate (gate code 1 KSM A4), where employees of the security service control and authorize the entry/exit of freight vehicles to (from) the Company in the KIPIS system.

10.6. Employees of the security service of the central checkpoint, gateway code 1 KSM A4, control the entry/exit of freight vehicles to/from the Company/territory, export of material values outdoors, monitor the territory and perimeter of the Company by means of video system.

10.7. The employee of the security service of the pedestrian access control point, gateway code 1 KSM P1, controls the entry/exit of pedestrians to the Company's territory, monitors the Company's territory and perimeter through the video system.

10.8. The chief officer and the employee of the shift of the Company's territory security checkpoint, gateway code 1 KSM A2, 1 KSM P2 control and give permit in the KIPIS system for the entry/exit of light vehicles to/from the Company and access of pedestrians. Organizes and controls the shift work, informs the security and safety officer of the health and environmental safety service of all events occurring during the on-call time. In the event of emergency, the chief of the shift of the security service, at any time during the day, must notify the security and safety officer of the health and environmental safety service and the shift manager of the event.

10.9. The response group safety officer, using the Company car, patrols the Company's area and monitors the ships moored at the quays No. 82-100 and in the aquatic area, controls the legal access of persons and vehicles to (from) the Company territory, controls the import (export) of material values. Ensures the compliance with public order, detains violators of the regime and procedure, and takes preventive measures against these violations. Supervises and controls the railway gates 1 KSM G1, 1 KSM G2, 1 KSM G3.

10.10. The employee of the security service, at the video surveillance monitoring station installed in the Company's administrative building (Nemuno g. 139, Klaipėda), monitors the perimeter protection of the Company's territories at Nemuno g. 24 and Nemuno g. 139, by the instruction of the railway controller, automatically opens/closes the railway gates 1 KSM G1, 1 KSM G2, 1 KSM G3.

10.11. Vehicles do not drive in fire gates 2 KSM A1, 2 KSM A2, the gate is closed and

sealed with a customs seal. The fire gate can only be opened in case of emergency (accident, rescue, etc.) after informing the Klaipėda Territorial Customs and the VĮ KVJUD, and in the course of construction and reconstruction work in the port and in the event of production necessity, after receiving the approval of the Klaipėda Territorial Customs Authority and VĮ KVJUD.

10.12. Vehicles do not drive in car gate 1 KSM A1 P ; the gate is locked and sealed with a customs seal. The checkpoint of the aforementioned gate is installed and the vehicles drive through it only in the case of unforeseen extreme events and upon receipt of the authorisation of Klaipėda Territorial Customs.

10.13. Vehicles do not drive in car gate 1 KSM A 5. The security checkpoint will be equipped by incorporating the boundaries of UAB Nemuno terminalas into the new territory of Pilies border crossing point. The motor transport movement will take place to/from LKAB Klaipėdos Smeltė to/from UAB Nemuno terminalas through gate 1 KSM A 5.

10.14. The ship's captain shall ensure the safety of the ship.

XI. SHIPPING AND PROCEDURE FOR THE ENTRANCE OF THE RAILWAY TRANSPORT

11.1. The rules for the entry of ships into the Company's aquatic area, exit from it and navigation in the aquatic area, mooring, or waiting in the aquatic area, as well as other requirements for safe navigation are established in the shipping regulations of Klaipėda State Seaport, and are binding on all legal entities and natural persons carrying out any activities in the aquatic area of the companies.

11.2. Contractor employees who come to the Company's aquatic area are allowed to enter the Company's territory, if the latter have valid Company's permits. Entry of any vessel into the Company's aquatic area without approval of the Klaipėda Territorial Customs and Coastal Guard and without the permit of the shift executive officer of the Company is prohibited.

12.3. Transportation of goods by floating means is possible only upon submission of documents specified in these Regulations.

11.4. Flooding means before leaving the Company's aquatic area can be checked by the customs and the officials of the VSAT PAR.

11.5. Fishing from the quay and the ship in the area of the Company is prohibited.

11.6. Railway Shift Dispatcher. Reports to the security service about entrance/exit of the railway transport to/from the Company's territory IN accordance with the procedure established by the Company.

11.7. Security service personnel take part in vehicle inspections.

XII. FINAL PROVISIONS

12.1. Company employees, contractors, tenants or other persons who have committed a violation of the law causing material damage to the Company, must compensate for such losses in accordance with the procedure established by legislation of the Republic of Lithuania or by mutual agreements.

12.2. The Company's employees, contractors, tenants who have committed violations of the law in the Company, are subject to material, disciplinary measures, contractual sanctions or materials of violations are transferred to law enforcement authorities.

12.3. The Company is liable, in accordance with the procedure established by laws and other legislation of the Republic of Lithuania, for the loss, damage or removal of goods (cargo) stored in the port complex areas under customs control from the port territory without the

permit of the customs authorities.

Security Officer

/signature/

Rašidas Deimantas

APPROVED:

Director of the Port Regime and Technologies
Department of Klaipėda State Seaport Authority
*Seal: / State Enterprise Klaipėda State Seaport
Authority. Port Regime and Technologies
Department /*

Commander of the Coastal Guard Team
*Seal: State Border Guard Service under
the Ministry of the Interior of the Republic
of Lithuania. Coastal Guard /*

/signature/

Egidijus Kuzmarskis
2016-12-16

/signature/

Donatas Lengvinas
2016-12-16

Manager of Klaipėda Territorial Customs

Rita Kunickienė

/signature/

Deputy Director of Klaipėda Territorial Customs,
acting director

/signature/

Antanas Sipavičius
2017-11-18

*Seal: /Customs Department under the
Ministry of Finance of the Republic of
Lithuania. Klaipėda Territorial Customs
Office/*

Annex 1 to the Regulations of the Security and permit system of LKAB Klaipėdos Smeltė

**STRUCTURAL DIAGRAM OF SECURITY MANAGEMENT OF LKAB
KLAIPĖDOS SMELTĖ**

	DIRECTOR GENERAL	
	SAFETY, HEALTH AND ENVIRONMENT SECURITY SERVICE MANAGER	
	SECURITY, HEALTH AND ENVIRONMENT PROTECTION OFFICER	
RESPONSIBLE PERSON SUBSTITUTING THE SECURITY OFFICER		MANAGER OF SECURITY GROUPS
		SHIFT SENIOR OF THE SECURITY SERVICE
		SECURITY SERVICE EMPLOYEES

**LIST OF ITEMS PROHIBITED FOR ENTRY INTO THE COMPANY'S
TERRITORY**

In order to prevent possible terrorist, diversionary and other illegal activities, transportation of weapons, ammunition, explosives, narcotics and narcotic drugs and other smuggling, it is prohibited to bring prohibited articles into the territory of the Company, i.e. the items that can be used for illegal actions which were not properly declared and not subjected to the provisions of laws or regulations.

List of prohibited items:

1. Firearms;
2. Cold weapons;
3. Explosive devices and explosives;
4. Gas pistols, pepper spray, all kinds of tasers and electric guns.
5. Drugs and narcotic substances;
6. Dangerous items are items not listed above, but posing a threat to human health and life and not directly related to the performance of functions of a person who enters the territory. The security employee makes a decision to authorize the entry of dangerous items into the territory.

All other cargo, tools within the above groups.
