

KELER Group Code of Ethics

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1. General

1.1. Introduction

KELER Ltd. and KELER CCP Ltd. (hereinafter jointly: KELER Group or Group) are committed to transparent, fair, prudent and ethical operation, and - in order to ensure such operation and maintain their values arising from the above, their reputation as well as the integrity of the financial markets involved in the services provided as a central counterparty - determine the fundamental standards and rules of conduct required of their Employees and contractual partners in this Code of Ethics (hereinafter: Code).

KELER Group requires the Employees to engage in ethical conduct worthy of the Group both at work and outside working hours. The Employee shall not engage in such conduct - either at or outside the workplace, either during or outside working hours - that is suitable for the negative perception of the Group.

KELER Group expects its Employees to refrain from any conduct that is morally and ethically questionable, as a private individual as well.

In order to maintain the professional reputation of KELER Group and its owners, the Employees are required to conduct themselves and perform work in compliance with the applicable laws, follow the internal instructions and observe the ethical standards of conduct according to the general value judgement. It is important to underline, however, that compliance with the applicable laws alone is not sufficient for ethical operation; the Employees are required to ensure and assess on an ongoing basis if their actions are right and that the requirements of trust, reliability and ethics are not compromised.

The Code provides guidance for the Employees of KELER Group on the principles concerning ethical conduct as well as the ethical requirements.

1.2. Revision date

Continuous, but at least every two years, until 31 December of every second year.

1.3. Scope of the regulation

Material scope: applies to all activities and conduct of the executive officers, employees and contractual partners of KELER Group in the course of which they act on behalf of, in the interest of or as a representative of KELER Group, and/or that have an impact on the social perception and reputation of KELER Group, and also to all activities and conduct where adverse legal consequences are provided for by law or the KELER Group's internal regulations.

Personal scope: applies to the executive officers and all employees of KELER Group and persons employed within the framework of any other legal relationship established for

work purposes, including the appointed experts and the executive officers and employees of suppliers who have entered into a contractual relationship with KELER or KELER CCP, and those persons who have a legitimate interest in remedying or terminating the breach of ethics arising from the violation of the Code.

Temporal scope: the provisions of the Code shall be adhered to by the persons mentioned above during the whole duration of the employment or contractual relationship, both during and outside of working hours.

1.4. References

Related regulatory documents:

- 3-01 General Business Rules of KELER Central Depository Ltd.
- 3-01 General Business Rules of KELER CCP Central Counterparty Ltd.
- 3-15 Organisational and Operational Regulation of KELER Ltd.
- 3-03 Organisational and Operational Regulation of KELER CCP Ltd.
- 3-08 KELER Ltd.'s Regulations on Conflicts of Interest
- 3-07 KELER CCP Ltd.'s Regulations on Conflicts of Interest
- KELER Ltd.'s General Terms and Conditions for its Contractual Partners concerning outsourcing contracts concluded with external service providers
- 6-50 KELER Group Regulation on the prevention of abuses, infringements and events compromising organisational integrity and the related whistleblowing system
- 6-16 Policy on Employment matters at KELER Group

Related legislation:

- Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (CSDR)
- Commission Delegated Regulation 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories (CSDR RTS)
- Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR)
- Commission Delegated Regulation (EU) No. 153/2013 of 19 December 2012 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties (EMIR RTS)
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR)
- Act CXX of 2001 on the Capital Market (Tpt.)
- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.)

- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (Bszr.)
- Act CLXV of 2013 on Complaints and Public Interest Disclosures (Act on Complaints)
- Act CXXV of 2003 on Equal Treatment and Promotion of Equal Opportunities
- [Act V of 2013 on the Civil Code of Hungary](#)
- Recommendation No. 27/2018 (XII. 10.) of the Magyar Nemzeti Bank (Central Bank of Hungary) on setting up and using internal safeguards and on the management and control functions of financial organisations

1.5. Repealed regulations

None.

1.6. Version history

Version number of current regulation: v2.

Version number of the previous regulation: v1.2

Date of entry into force of the previous regulation: 29 September 2020

1.7. Terms used in this regulation

Anonymous box:	An internal channel available to the employees of KELER Group for the anonymous reporting of abuses and infringements and for the communication of any other remarks.
Report:	The verbal or written communication of information concerning ethical abuse or infringement.
Reporting person:	The person providing a report or information (to the public) on the abuses he/she became aware of in his/her working environment.
Compliance:	The responsible Compliance department of KELER and KELER CCP.
Ethical conduct:	The conduct, action or expression of opinion increasing the clients' trust in the KELER Group and facilitating the creation of the image that KELER Group and its Employees provide their services to a high standard, and that is suitable to strengthen and grow the reputation of KELER Group, in addition to its good business activity.
Breach of ethics:	The conduct capable of undermining the authority and reputation of KELER Group or shaking the clients' trust in the KELER Group or the Employees' trust in each other. The infringement of the principles and ethical requirements specified in the Code shall

constitute a breach of ethics, as well as any act that may lead to the infringement of such requirements or that is suitable therefor according to the aggrieved party.

Integrity:	The operation of KELER Group in line with the rules and in compliance with the objectives, values and principles specified by KELER's and KELER CCP's senior management.
Integrity risk:	The possible occurrence of any abuse, infringement or other event violating or endangering KELER Group's objectives, values and principles.
Close relative:	Spouses, direct ascendants, adopted children, stepchildren and foster children, adoptive parents, stepparents, foster parents, brothers and sisters and domestic partners.
Employee:	Executive officers of KELER and KELER CCP, persons employed by KELER and KELER CCP or employed within the framework of any other legal relationship established for work purposes, appointed experts and the executive officers, employees and subcontractors of suppliers who have entered into a contractual relationship with KELER or KELER CCP.
Personal data:	Any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.
Executive officer:	Members of the Board of Directors and the Supervisory Board of KELER and KELER CCP.

2. Principles

2.1. Protecting the served markets

It is the KELER Group's priority objective to contribute with its activity to the maintenance of the post-trade infrastructure safeguarding the markets served by KELER Group and to build sufficient trust for the market players that the settlements and clearings are performed properly and in a timely manner in all circumstances.

2.2. Prudent operation

KELER Group considers compliance with the laws, supervisory requirements, industry standards and internal regulatory requirements applicable to its services as an essential operational requirement, and requires its Employees to carry out their activities in a prudent manner. Prudence is a basic element of KELER Group's operation, with the point to ensure the secure and responsible operation of KELER Group and thereby to protect the client's interests. The requirement of prudent operation shall be reflected in the entire operation of KELER Group.

KELER Group endeavours to establish robust governance arrangements which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report any current or potential risks, and adequate remuneration policies and internal control mechanisms, including sound administrative, conduct of business and accounting procedures.

2.3. Transparency

KELER Group provides all relevant information about its strategy, services and procedures to the public and the markets in an open and transparent way and a timely manner.

KELER Group establishes business relationships exclusively with transparent companies and organisations, both in terms of finances and ownership structure.

2.4. Integrity

KELER Group is committed to the consolidation and development of a corporate culture that is based on integrity. Integrity requires the Employees to comply with the professional rules applicable to the KELER Group's services as well as the ethical standards and adapt themselves to the core values of KELER Group. The Employees shall recognise the factors and cases jeopardising integrity, and shall be aware of the mitigation options in this regard. During the course of his/her work and in his/her professional relationships the Employee shall act in accordance with the fundamental standards of honesty, fairness, genuineness, prudence, reliability, respect and decency, in good faith and by considering public interest.

2.5. Zero-tolerance policy

KELER Group applies zero-tolerance policy concerning abuses and infringements, in particular concerning the infringement of the laws applicable to it, money laundering, terrorist financing, insider dealing and market manipulation as well as acts of corruption, and firmly expects from its Employees to refrain from any activity that may suggest their involvement in any abuse in any way. KELER Group has established a signalling system to prevent and combat abuses, and operates an objective internal control system to investigate any suspicious indicia. In the case of infringements, KELER Group cooperates with the concerned authorities unconditionally and proactively.

2.6. Sustainability, environmentally conscious operation

Within the frameworks of its social responsibility commitments, KELER Group endeavours to establish a front-line practice concerning environmental protection, including responsibility for the natural and the built environment.

KELER Group also lays emphasis on the protection of the natural environment, therefore during the development of its internal processes, it endeavours to establish digital solutions that reduce the ecological footprint arising from paper-based administration, and requires its Employees to be environmentally conscious in their daily work, and consider the environmental aspects as far as possible. It is the objective of KELER Group to ensure the long-term embeddedness of an environmentally conscious approach into the corporate culture and to reduce energy and paper consumption at company level and establish the system of separate waste collection. KELER also pursues the principle of responsible care, paying particular attention to the establishment of a healthy workplace.

2.7. Principle of equal treatment

KELER Group rejects all forms of discrimination, including any exclusion and unjustified discrimination based on gender, race, colour, nationality or belonging to a nationality, mother tongue, disability, state of health, religious or philosophical beliefs, political or other opinion, marital status, maternity (pregnancy) or paternity, sexual orientation, gender identity, age, social origin, wealth, the part-time nature and/or definite term of the employment relationship or any other legal relationship established for work purposes, belonging to an advocacy organisation, or that are based on the differences in any other state, characteristic or attribute or any other discrimination.

2.8. Right to a healthy working environment

KELER Group assumes responsibility for establishing for the Employees a safe and healthy working environment focusing on the safety and physical and mental health of the Employees.

3. Requirements concerning the Employees

3.1. Personal commitment

KELER Group expects from all Employees, regardless of their position, to perform their work by having appropriate professional competence and dedication, and be committed to the values established by the KELER Group and the owners. The adequately performed work represents success for the KELER Group and this also has an impact on the Employees since it is their success as well.

In the course of external relations and business negotiations, the Employees shall represent KELER Group objectively, free from influence and in an ethical manner. KELER Group expects from all Employees to adequately represent KELER Group with his/her personal conduct and actions, thereby promoting a positive image of the KELER Group.

3.2. Fairness and responsibility

The tasks given during work shall be performed fairly, in accordance with the professional standards and considering the client's interests, and every effort shall be made to achieve that the KELER Group's client is satisfied.

The performance of work by the Employees shall be characterised by genuineness, honesty, respect for the other party (client, Employee) and polite conduct.

It is a key expectation that the Employee shall assume responsibility for his/her work even if he/she has made a mistake.

KELER Group requires the Employees to engage in such conduct that is worthy of the Group both at work and outside working hours. The Employee shall not engage in such conduct - either at or outside the workplace, either during or outside working hours - that is suitable for the negative perception of KELER Group.

KELER Group strictly requires its Employees not to engage in compromising, ethically questionable situations that may increase the risk of venality. KELER Group expects its Employees to strictly refrain from any conduct that is unlawful, or morally and ethically questionable, as a private individual as well.

The Employees shall not influence the decision-shaping and decision-making processes in a way that conflicts with the KELER Group's interests and purposes.

3.3. High-quality work

KELER Group requires its Employees to continuously maintain their competence and knowledge, either via professional trainings or self-tuition, in order to be able to provide its services at a consistently high level.

Every Employee of KELER Group, regardless of their position, represents the company towards the client, thus influences the image developed about KELER Group via his/her conduct, knowledge and competence during personal contact.

In the course of external relations and business negotiations, the Employees shall represent the KELER Group objectively, free from influence and in an ethical manner. KELER Group expects from all Employees to adequately represent KELER Group with his/her personal conduct, actions and communication style, thereby promoting a positive image of the KELER Group.

The performance of high-quality work is only possible if all Employees fully comply with the contents of the KELER Group's, KELER's and KELER CCP's regulatory documents.

3.4. Teamwork and creativity

KELER Group's activities are performed as a team effort, even if the clients may have direct contact with one Employee only during using the service. This is why it is important that every Employee be involved in this teamwork and do everything to ensure the smooth service of the clients. During teamwork the independence and objectivity of the internal control areas shall be considered at all times.

All Employees of KELER Group shall be open to changes, new ideas and information. This includes the initiation of new, original but feasible changes by the Employees that will advance the KELER Group's and their own work and improve the quality of services provided by KELER Group.

3.5. Other requirements

The owners and management of the KELER Group require all Employees to take proper care for the properties of both the KELER Group and the Employees.

All Employees are obliged to use the KELER Group's tools and resources sparingly.

Presenting or selling any goods as well as doorstep selling on the premises of the KELER Group - not including the advertisements published by the KELER Group's Employees on the advertising platform on the Intranet - are forbidden, unless these activities are authorised by the Chief Executive Officer. It is also forbidden to express religious and political agitation, and displaying and distributing the advertising media of companies or parties on the premises of the KELER Group.

No one is allowed to use, display or distribute the name, logo, etc. of the KELER Group for unlawful gainful purposes, gaining an advantage or for individual purposes, or to contribute to such actions.

The Employees are obliged to use the tools and services (in particular, the telephone, computers and the Internet) necessary for performing work and provided by KELER Group in accordance with the KELER Group's interests, only for purposes in the interests of the KELER Group and justified to perform the duties of the given person both during and outside of working hours, and visit only websites necessary for their work.

KELER Group requires all its Employees to cooperate with their colleagues in the course of their work, help them selflessly and provide all information necessary for the performance of work by the colleague timely and in full, always strive to be collegial with their colleagues, not to disturb their peers with their work and personal problems, and not to abuse the patience of their colleagues.

Moreover, it is a basic requirement of the Employees not to abuse their colleagues sexually or in any other way and to refrain from any kind of breach of privacy.

KELER Group expects its Employees to conduct themselves politely and according to the conventions towards each other, all Employees shall promote the maintenance of the KELER Group's good reputation with his/her entire lifestyle and conduct.

The Employee is expected to have an appearance conforming to the nature of the workplace and the work, his/her attire shall be modestly elegant, neat and tidy.

The venue for conducting regular meetings (client reception) within the frameworks of the daily, routine business processes shall be the registered office of KELER Group. For this purpose, KELER Group has rooms intended for client reception. In cases where the implementation of the business processes requires the application of the 4-eye-principle, it is mandatory that two KELER Group Employees be present during client reception and the conduct of the meetings, unless the meeting is recorded with the consent of the participants.

3.6. Public appearance

Only the official position of the KELER Group may be communicated at all times concerning any topics related to the KELER Group in any statement (printed or electronic media, radio, television), and the prior authorisation of the competent Chief Executive Officer (KELER or KELER CCP) is necessary for such statements.

The prior authorisation of the competent Chief Executive Officer (KELER or KELER CCP) or the Director of Strategy and Client Relations is necessary in the case of giving lectures in relation to the activities of KELER Group, publication in the media or in electronic form or in the form of a book, if the topic thereof concerns the KELER Group's scope of activities under the Articles of Association.

4. Requirements concerning executives

The establishment of the ethical culture at organisational level is based on the example of the executives. Therefore, the executives are also required to communicate the importance of ethical conduct during their work, represent professionalism, accountability and transparency when making decisions, appreciate ethical conduct and address adequately the cases where the ethical principles are compromised. Accordingly, in addition to the general requirements the following are required of the executives in particular:

- to provide swift and accurate flow of information within the KELER Group,
- to convey the interests and requirements of the KELER Group towards their subordinates in a firm, correct and consistent manner, by respecting the human dignity of the Employee,
- to conduct themselves in a consistent, fastidious, fair, helpful, equitable, patient and humane way towards their subordinates and appreciate a job well done - without exceeding their competence,
- to endeavour to establish a good and fair working atmosphere and recognise if a subordinate experiences difficulties,
- to discreetly warn the subordinate about his/her faults, errors.

During their activities, the executives are always obliged to perform their work in a polite, professionally adequate and fair manner both concerning the clients and the Employees, they shall consider the KELER Group's interests at all times and set an example with their actions.

5. Ethical requirements concerning security and IT

KELER Group protects its IT systems and the data stored therein at an improved level, therefore, in addition to the current information security principles and requirements, it also requires its Employees to do the following:

- to operate on the workstation provided to perform work only programs installed by the employer, i.e. guaranteed to be genuine,
- not to make an attempt to the unlawful retrieval, alteration or destruction of data stored on other workstations or the central server using the workstation provided to perform work,
- not to make an attempt to become familiar with in an illegal manner or alter the programs stored on other workstations or the central server, and the systems settings or security settings of the workstations or central servers using the workstation provided to perform work,
- to keep their password and signature code safe, protect their workstation and user data from unauthorised persons, and bear the consequences of unauthorised access possible due to attributable negligence,
- not to make illegal copies of the programs available on the workstation,
- not to store or use illegal programs on their computer,
- to facilitate the prevention of the virus infection of the IT system by performing their work carefully,
- not to store texts or pictures on the workstation or the central server that are offensive, abusive, obscene or pornographic, and not to forward such texts or pictures as electronic letters,
- not to visit websites with illegal content on the Internet,
- not to use identifiers relatable to KELER Group during registration apart from professional public sites related to the KELER Group or public sites closely connected to the job,
- to observe the general ethical principles during the management of their user accounts - on the Internet and existing on social media portals, in particular - suitable for personal identification, refrain from obscene, defamatory, libellous terms when adding public posts and from posting inflammatory opinions or opinions offending the religious, national, ethnic, sexual, political or philosophical affinity of others, incorrect information or illegal content.

6. Supplier relationships, procurement

KELER Group requires its external service providers having a contractual relationship with it to have appropriate ethical standards and business management practices, and perform their activities in a socially responsible way, by observing the laws and international standards applicable to human rights, environment protection and working conditions.

The effective use of KELER Group's assets is a priority during purchases, i.e. that that tenderer is chosen by KELER Group within the frameworks of a fair and transparent competition who has made the best offer in terms of value for money concerning the performance of the task and/or the goods, services and construction works providing the conditions for the performance of the task. Both the contracting authority and the tenderer(s) are responsible for maintaining a fair competition during the procurement procedure; however, this obligation requires an active attitude of KELER Group while a kind of absence or abstention on the part of the tenderers from any anti-competitive act which is deemed negatively.

In addition to the culture of compliance of the participants in the procurement procedure and the provision of the transparency of the processes, the aspects of proper documenting and communication of the necessary and sufficient information must also be highlighted.

7. Data protection, confidentiality

During the provision of the KELER Group's services, the protection of the Clients' sensitive data protected by law, in particular, the banking, securities and business secrets as well as personal data is critical above all else. In this context, KELER Group strongly expects from the Employees to treat the information they became aware of during their work with responsibility within their competence, and not to use them in an unauthorised manner or forward them to unauthorised persons.

Except for publicly available information, all data available to KELER Group may be transferred to third parties only in a controlled fashion, by observing the regulatory requirements applicable to the data in question.

The Employees are bound by the obligation of confidentiality concerning any fact and data (including, in particular, classified information, banking secrets, payment secrets, securities secrets, business secrets and information not available publicly) they became aware of during the performance of their professional work or in relation to the performance of their job duties.

The Employee shall keep inside information strictly confidential, and shall not transfer such information under any circumstance or use the information he/she became aware of to gain advantage concerning his/her own transactions or the transactions (any kind of economic transaction, in particular, stock exchange transactions) of his/her close relative. The Employee shall consider the KELER Group's good reputation under any circumstances, therefore he/she shall not compromise it by the impression of using inside information.

The Employee shall observe the confidentiality of correspondence; in that context, it is forbidden to destroy, contrary to the current internal rules, the mail addressed to the Employee and specified as confidential, without the approval of the Employee, to open and obtain it to become familiar with its content, or to hand it over to unauthorised persons for such purposes, or to pry into the communication forwarded to someone else via electronic communications network, including the information system.

The scope of processed personal data, the applicable legal basis, the retention times and other data protection aspects are contained in the KELER's data protection records.

8. Accepting gifts (benefits)

A gift shall mean any thing, service, entertainment, hospitality, loan, or any thing, favour or postponement representing any other financial, existential or moral value, or any promise to provide any of the above in the future, that has a financial value and that is obtained by a person without compensation, or at a price significantly lower than its value.

Gifts shall not be accepted from the KELER Group's clients or other persons with respect to the client, or from any contractual partner, supplier of the KELER Group, any trade repository, data provider, liquidity provider, or any other person or organisation - not including standard advertising materials and leaflets, entertainment costs and **business gifts** not recognised as part of the tax base and not to be taken into account when calculating income, as specified in Act CXVII of 1995 on Personal Income Tax, **if they do not exceed 10% of the prevailing gross minimum wage.**

Gifts with a value exceeding the value limit concerning business gifts - i.e. with a value exceeding 10% of the prevailing gross minimum wage - shall be reported to the direct superior and Compliance.

Gifts with a value exceeding the value limit concerning business gifts may only be accepted if refusing the gift had negative influence on the relationship with the client or partner, and acceptance has been approved by Compliance. The gift may not have an impact on the performance of the specific business event.

Compliance keeps records of the gifts with a value exceeding the value limit concerning business gifts and the related decisions. The records are strictly confidential.

If there is doubt concerning the value of the gift, Compliance shall make a decision about the actual value of the gift.

Money and securities may never be accepted as gifts.

It is forbidden to accept gifts offered during the procurement procedure and to accept gifts regularly from the same cooperating partner (more than once a year).

In relation to corruption and gifts:

- the Employees of KELER Group may not become vulnerable and shall refrain from any conduct suitable to give the appearance of corruption or that may become parts of activities leading thereto. Accordingly, they are obliged to avoid any situation and relationship that may be suitable to question if they are free from influence;
- they may not accept or request, either directly or indirectly, any allowance, money, gift or benefit from persons in connection with them or their area, that is suitable to influence their decisions and judgement;
- the executives may accept gifts from their colleagues and/or subordinates only in relation to events of social contact (name day, birthday, retirement, etc.). The extent and form of the gift may not be suitable to hope for any illegitimate decision, benefit, allowance, etc.

Donations:

Within the frameworks of its social responsibility commitments, KELER Group supports communities, organisations and groups in need with donations. Donations may be given only in accordance with the applicable laws and the internal regulatory documents. KELER Group and the Employees shall not request or accept direct or indirect compensation for the donation.

9. Reporting concerning ethical issues

In the course of business, all Employees shall follow the regular due process; the Employee may contact the competent senior manager or use the anonymous box - circumventing the due process - only in cases where the Employee turns to the competent senior manager or uses the anonymous box providing anonymity because of the conduct of the direct superior.

The reporting person may provide assistance in preventing and identifying risks and damage threatening the KELER Group's interests, that would otherwise remain hidden, therefore his/her person and data requires increased protection throughout the entire investigation procedure. KELER Group warrants that the bona fide Employee using the whistleblowing system and the anonymous box will be protected against any retaliation, discrimination or any other unfair treatment and from any other detrimental legal consequence of using the anonymous box.

Compliance shall be responsible for and competent in handling and investigating reports concerning ethical issues; the reports shall be sent to Compliance who will act in accordance with 6-50 KELER Group Regulation on the prevention of abuses, infringements and events compromising organisational integrity and the related whistleblowing system, on condition that the Ethics Committee shall be entitled to take a stand in the cases of breaches of ethics.

Compliance may involve other areas in the investigation of the reports, if necessary, in particular, the members of the security organisation. Compliance shall be obliged to investigate all reports and inform the Ethics Committee thereof within 15 working days from reporting.

In case of violation of the Code, the Employees may directly turn to the Ethics Committee.

10. Ethics Committee

10.1. Composition of the Ethics Committee

The Ethics Committee is responsible for taking a stand and making proposals concerning breaches of ethics and ethical issues.

Members of the Committee: the competent (KELER or KELER CCP) Chief Executive Officer, the Head of Human Resources Management, the competent Chief Compliance Officer/Compliance officer, the competent Head of Legal, the competent Chief Risk Officer and the Chairman of the Work Council. If any of the members is prevented from attending or may be involved in the case, a deputy shall be invited to the Committee. The deputy is appointed by the Chair of the Committee (by his/her appointed deputy if he/she is prevented from attending).

The Chair of the Committee is the competent (KELER or KELER CCP) Chief Executive Officer.

If a breach of ethics is suspected concerning executive officers performing their duties within the framework of an employment relationship, the members of the Committee shall be the board members appointed by the Chairman of the Board of Directors or the members of the supervisory board appointed by the Chairman of the Supervisory Board.

The membership in the Committee is terminated in the following cases:

- upon resignation,
- upon termination of employment,
- upon the death of the member,
- upon withdrawal.

The Chair of the Committee is obliged to withdraw membership if a final criminal judgment is pronounced against the member, or an ethical procedure must be initiated against the member.

10.2. Tasks and functioning of the Ethics Committee

Tasks of the Committee:

- making proposals, giving opinion and taking a stand concerning ethics issues arising during the operational control of KELER Group,
- taking a stand in individual cases arising in relation to the breach of ethical standards.

KELER or KELER CCP Compliance shall conduct the preliminary ethical investigations necessary for the Committee to perform its tasks. Compliance may disclose the results of the preliminary ethical investigations exclusively to the members of the Committee.

The Committee shall be convened when necessary.

Each member or their deputies shall be present in order to take a stand. The Committee takes a stand by open ballot, based on simple majority, and in the case of a stand taken without convening, the written vote of each member shall be necessary.

The Committee shall be entitled and obliged to put on the agenda matters within its competence upon the initiative of any member, and to make proposals and comments to the Board of Directors of KELER and KELER CCP on its own initiative.

If the Committee finds the committee member's request to initiate proceedings established, and initiates an ethical procedure, it shall notify the KELER Group's Employee affected by the ethical procedure thereof in writing without delay.

In order to clarify the facts, the Committee and/or Compliance shall be entitled to hear out any Employee and request clarification from them, and to obtain the necessary documents and evidence.

During its procedure, the Committee shall be obliged to allow the Employee concerned to express his/her viewpoint.

The Committee takes a stand (expresses opinion) concerning the raised matters. If the stand is not the result of full agreement, the different views shall also be recorded in the minutes.

Minutes shall be compiled of the Committee's meetings, authenticated by Compliance as record keeper.

The Committee sends its stand (with justification) to the initiator of the case, the persons (bodies) concerned and the head of the concerned person(s).

The Committee shall take its general stand within 30 working days of the receipt of the report, if possible.

Concerning the initiated procedures, the Committee may take the following stands:

- terminate the procedure due to lack of authority and/or competence,
- establish that the person subject to the procedure has not committed a breach of ethics,
- establish that the person subject to the procedure has committed a breach of ethics.

The Committee shall notify the following persons of the stand within 5 working days after it has been taken:

- the initiator of the ethical procedure,
- the person subject to the ethical procedure,
- the direct superior of the person subject to the ethical procedure.

The ethical procedure is a single-instance procedure.

If the investigation conducted by the Committee reveals acts more serious than breach of ethics, the Committee refers the matter to the competent legal department to take further legal action, and this legal department shall be obliged to take immediate action in accordance with the

applicable laws. To commence legal proceedings in the case of executive officers the prior authorisation of the Board of Directors shall be obtained.

The procedure conducted by the Committee shall not be public; any files, documents, including personal data created as part of the procedure shall be treated confidentially by Compliance.

KELER Group shall be entitled to reveal the results of the investigation procedures to the Employees in an anonymised format, for preventive purposes, in order to support and promote the appropriate corporate culture. The content and form of communication are determined by the Ethics Committee.

Compliance compiles a report for the Board of Directors once a year on the work performed by the Ethics Committee in the previous year.

10.3. Protection of the committee members, conflicts of interest

No one may give instructions concerning the stand of the Committee or the expression of opinion of the members. No person may be condemned or suffer any disadvantage due to his/her activities in the Committee. If the possibility or suspicion thereof arises, the Chair or member of the Committee may turn to the Chairman of the Board of Directors.

A member of the Committee may not participate in taking a committee stand in relation to matters concerning him/her or his/her close relative, or the area of the organisational unit it leads if he/she holds an executive position. The deputy may be appointed by the Chair of the Committee, or, if the Chair of the Committee is concerned, by the Head of Human Resources Management.

11. Legal consequences concerning ethical issues

If based on the ethical procedure the application of sanctions related to labour issues or affecting the contractual relationship become necessary, the Chief Executive Officer of KELER or KELER CCP will make a decision thereon based on the stand taken by the Ethics Committee and the proposal of Compliance.

The sanctions that may be applied to the Employees are specified in 6-16 Policy on Employment matters at KELER Group, while in the case of contractual partners the legal consequences of breach of contract, set forth in the contract and/or the Civil Code of Hungary may be applied.

The legal consequences shall always be adapted to the seriousness of the breach of ethics.

12. Closing provisions

KELER Group requires its Employees to become familiar with and observe the requirements specified in the Code, and the Employees undertake to comply with the rules in this Code, thereby facilitating the maintenance of the reputation of their employer on the market, its successful operation and the successful performance of its activities as a service provider.

Human Resources Management shall ensure that new employees become familiar with the rules of the Code upon the commencement of the employment, and that new employees certify their recognition of the rules with their signature. The external suppliers certify familiarity with the rules by becoming familiar with the mandatory policies of KELER Group within the framework of concluding the contract.

Compliance organises an internal training for the KELER Group's Employees once a year, covering the fundamentals of ethical operation. The Employees certify in writing or via the electronic system that they have become familiar with the training material. Compliance keeps records of the trainings held and stores all related documentation. In the case of external suppliers the training materials prepared by Compliance are provided to the partners by the contractual contract persons.