Rules of procedure of the Code of Ethics

1. *General requirements*

1.1. **Validity:** The rules of procedure described in the present document regulates the entire process of investigating reports related to the Code of Ethics (from the receipt of a report, launch of an own investigation to the proposal on sanctions).

1.2. **Involving a legal representative:** Any affected party shall be entitled to involve his/her legal representative in the ethics procedure. If this option is used, the legal representative of the affected party may only communicate with the Ethics Committee (hereinafter: Committee) through the Company's Legal Department.

1.3. **Deadlines:** The Committee shall make every effort to have the deadlines on the processes, specified in the present regulation, observed. If any affected party approaches the Committee with a petition that is submitted at the right time and contains the necessary explanation, the Committee may change the deadlines, grant a respite and set new deadlines. A procedure may only be launched after more than three years of the violation of the Code of Ethics in especially justified cases.

1.4. **Confidentiality:** In order to protect the privacy (personal rights, personal data etc.) of the affected parties all data, documents and information prepared or received by the Committee shall be treated as confidential until the case is closed. If the reporting person violates this rule, the Committee may refuse to investigate the case.

1.5. **The conduct of the parties, refusal to cooperate:** During communication with the Committee the style, expected in official professional relations, shall be used. If the reporting person violates this rule the Committee may terminate the procedure and the conduct of the "non-cooperative" party, reported for an ethical misconduct, shall also be taken into consideration by the Committee during its decision-making.

1.6. **Anonymous reports** shall only be investigated by the Committee if there is a well-founded suspicion that a particularly serious ethical misconduct occurred.

2. *The Ethics Committee*

The Ethics Committee operates and makes decisions as a body.

To conduct the procedure at least half of the members of the Committee shall be present, while the Committee's meetings have a quorum when over half of the Committee's members are present. If the chair of the Committee is unable to attend, the meetings shall be chaired by a committee member, appointed by the chair.

The Committee shall make its decisions with the concurrence of its members who are present at the meeting, however it strives to reach a consensus. In case of a tied vote the chair shall cast the deciding vote.

The Ethics Committee shall have 4 permanent members:

- Chief Executive Officer (also the chair of the Committee);
- Director of Corporate Support;
- Human Resources manager;
- Head of the Legal Department.

If any of the Committee members is involved (e.g. manager of the affected employee etc.) in any ethics procedure launched within the scope of the Code or permanently unable to attend, he/she shall be replaced by the substitute member of the Committee (by the director of System Operation as the first and the director of Capacity Sales as the second choice).

The administrative tasks of the Committee shall be performed by the committee secretary appointed by the CEO.

3. *Responsibility matrix*

Responsibilities: E - responsible for execution P - participates I - provides information on the results of the activity D - makes a decision * - according to level of affect		Board of Directors	Chief Executive Officer	Entity exercising employer's rights	Ethics Committee	Person reporting the alleged ethical violation	Employee reported for ethical violation	Other affected person/organisation	Corporate Security
Activity ID	Activity								
4.1.	Report on an ethical matter				I	E			
	Receipt of report				E				
4.3	Investigation initiated within own scope of authority				D		I		P
4.4	Preliminary investigation in order to launch an ethics procedure				E	P		P	P
4.5.	Decision on launching or dismissing the ethics procedure				D	I			
4.6	Informing the reported employee on the launch of the investigation on the ethical misconduct			I	E		I*	I*	
5.1	Decision on the method of				D				

Responsibilities: E - responsible for execution P - participates I - provides information on the results of the activity D - makes a decision * - according to level of affect		Board of Directors	Chief Executive Officer	Entity exercising employer's rights	Ethics Committee	Person reporting the alleged ethical violation	Employee reported for ethical violation	Other affected person/organisation	Corporate Security
Activity ID	Activity								
	investigation								
5.3.	Conducting the investigation				E	P	P	P	P
5.4	Decision on the extension of the investigation				D	I*	I*	I*	
5.5	Preparing the investigation report				E				
5.6	Decision on the existence/dismissal of the violation of the Code of Ethics		I	I	E	I	I*	I*	
6	Sending the report		I	I	E		I		
	Decision on the sanctions		I	D	I		I*	I*	
7	Annual report by the Ethics Committee	I			E				
8	Preserving the data of the ethics investigation				E				

4. *Reports*

4.1. An ethics procedure may be reported and initiated by a Company employee or external person/business partner if he/she detects a behaviour which violates the Code. Reports may be sent in writing (FGSZ Zrt. Ethics Committee „to be opened by addressee only", 8600 Siófok Tanácsház utca 5. Pf.102, or by e-mail to etikaibizottsag@fgsz.hu) or made in person to the Committee members or by dialling **84-505-560** where a message can be left on an answering machine.

4.2. Reports to the Committee shall include the following data and information:

- name and available contact details of the person, business or other organisation, reported for violating the Code;
- the content of the alleged violation of the Code;
- all relevant information and evidence confirming the violation of the Code (e.g. documents, relevant statements by others or contact details of person(s) able to make such statements);

- name and contact details of the reporting person (address, telephone number, e-mail and postal address);
- statement by the Reporting Person confirming that the report is made in good faith about the circumstances he/she is aware of or has good reason to believe to be true;
- the Reporting Person shall include in the statement if he/she wishes his/her personal data to be kept confidential.

Committee members shall forward any and all incoming reports to the chair of the Committee immediately. Reports made by telephone shall be registered in writing by the Committee's secretary.

4.3. The Committee shall be entitled to launch an ethics procedure at its own discretion when it has substantiated data and information at its disposal.

4.4. Following the receipt of a report the Committee may carry out a preliminary investigation. In order to decide whether an ethics procedure should be launched on the basis of the report, the Committee shall deliberate whether:

- the content of the report suggests that the Code of Ethics has been violated;
- there are sufficiently substantiated and reliable data, information or evidence available for the investigation;
- any additional information or evidence on the case need to be requested from the reporting person.

In this phase of the procedure the chair of the Committee may contact any department and employee of the Company, if necessary by involving Corporate Security, to obtain further information in support of the procedure.

In the event of suspicion and notification of law violation the Committee shall instruct the Corporate Security to investigate the notification in advance. After conducting the process, the Corporate Security shall prepare a written report to the Committee.

During its investigation the Corporate Security may take the measures in Article 5.1. 30 days are available for the investigation, which may be extended by the Committee for a further 30 days if necessary, which is not count in the Committee's investigation period.

The Committee shall conduct its investigation taking into account the Corporate Security's preliminary investigation based on Article 5.

4.5. The Committee shall make one of the following decisions by the 5th working day following the receipt of the report:

- decide that the data, information and evidence reported and obtained by other means do not justify the launch of the ethics procedure;
- decide that the information in the report is unreliable or insufficient, or the report itself is unsubstantiated or inconsistent, therefore the Committee shall drop the case;
- decide that the data, information and evidence reported and obtained by other means justify the launch of the ethics procedure.

The Committee shall inform the reporting person (when the contact details are available) about its decision and about the fact that launching an investigation shall not entitle him/her to any compensation or reward, also inform about the consequences of making malicious reports. The Committee also sends the present rules of procedure if an ethics procedure is launched.

4.6. If an investigation is launched by the Committee, a written notification (in a letter or e-mail) shall be sent to the employee reported for ethical misconduct (unless this would make it impossible to carry out the investigation) and to the person exercising employer's rights about:

- the fact that a report has been sent to the Ethics Committee in which the employee is reported for a specific ethical misconduct;
- the alleged and reported behaviour which violated the Code;
- about the fact that an ethics investigation has been launched against the employee in accordance with the present rules of procedure;
- about the fact that the reporting person requested his/her personal data to be kept confidential, unless he/she will be interviewed in the case.

As part of the above information it shall also be stressed that the person reported for the ethical misconduct should get to know the contents of the present rules.

5. *Conducting the ethics investigation*

5.1. The nature and severity of reported cases of ethical misconduct may differ, therefore the Committee members shall decide on the form of the investigation. The following options may be used during the investigation:

- personal interviews;
- telephone interviews of those involved;
- requesting and controlling written or digital materials;
- visiting the sites that are important to the case;
- involving Corporate Security in the investigation if necessary;
- using an expert.

5.2. All investigations shall be handled confidentially and all correspondence related to the case shall be marked as "Confidential". The following persons may be notified of the launch of the investigation:

- members of the Committee;
- the reporting person;
- the employee(s) reported for ethical misconduct;
- the person exercising employer's rights over the employee(s) reported for ethical misconduct;
- the employee, contributing to the ethics investigation with information, whose participation in the given procedure is definitely necessary.

All persons involved in the investigation shall treat the reporting person's personal data confidentially, shall proceed throughout the process with integrity and impartially, and treat the data confidentially.

5.3. The Committee shall conduct its ethics investigation within 30 working days from making a decision on the launch of the investigation.

5.4. If the Committee is unable to complete its investigation within 30 working days (e.g. there is not enough information available, the people involved are unable to attend etc.) the completion deadline may be extended once by another 10 working days and all affected parties shall be notified of the extension. If a preliminary investigation takes place based on Article 4.4., it may extend the procedure 30+30 days, on which the stakeholders shall be informed.

5.5. The Committee shall prepare a written report (without any formal or contextual constraints) on the findings of the investigations. The report shall cover the background of the reported incident, the investigations carried out and the interview with the affected person, The key evidence and documents supporting the decision shall be attached to the report.

5.6. The report shall include the Committee's decision, which may be the following:

- based on the thorough investigation of the reported alleged ethical misconduct, no such misconduct has occurred; or
- it was found that the person reported for the alleged ethical misconduct had violated one or maybe several points of the Code (the relevant points of the Code shall be listed together with the justification).

6. *Investigation report, proposals for sanctions*

The Committee shall send its report on the ethics investigation and its proposal (e.g. proposed sanctions) to the affected employee under investigation, to the person exercising employer's rights and to the CEO.

The Committee shall notify the reporting person in writing whether or not the investigation revealed an ethical misconduct.

If the stipulations of the Code have been violated the manager exercising employer's rights shall decide on applying one of the sanctions (after notifying the CEO), as well as launching a procedure to decide on the detrimental legal consequence, specified by the Labour Code or the Collective Agreement, keeping in mind to allow enough time to keep to the deadlines set for the launch of such procedure.

7. *Information*

The Committee shall evaluate the risks of unlawful operations, and make recommendations and proposals about how to improve the operational procedures and the regulatory environment.

The Committee shall inform FGSZ Zrt. on an annual basis about the ethics procedures launched in the period under review and the lessons learnt from the concluded cases.

In order to improve the awareness on ethical issues, the Committee shall publish the extracts of the closed cases of proven ethical misconduct (without the personal data) every year on the Company's intranet site (http://fgsz-port/informacioestudastar).

8. *Preserving the data of the ethics investigation*

Reports on ethical issues and the personal data generated by the subsequent investigations shall be managed, archived and deleted until the expiration date prescribed by the Act CXII of 2011 on Informational Self-determination and Freedom of Information, while other data and documents generated shall be managed, archived and deleted until the expiration date specified by Appendix no. 6 of the Company's Integrated Management Handbook.