

BUDAPEST BANK GROUP - CODE OF CONDUCT

SCOPE OF THE CODE OF CONDUCT

This Code of Conduct defines principles and guidelines on the following topics:

1. No corruption
2. Customer treatment
3. Maintaining contact with external suppliers
4. Prevention of money laundering and terrorist financing
5. Compliance with the provisions of the competition law
6. Fair employer practices
7. Environment, health and safety
8. Guarantee of the secure operation of the bank group
9. Intellectual property
10. Cyber security and data protection
11. Complex financial control
12. Conflicts of interest
13. Insider trading and stock exchange tips
14. Corporate social responsibility

This Code of Conduct provides an introduction and summary of the banking regulations but does not contain the detailed text of the related regulations.

PARTIES GOVERNED BY THESE REGULATIONS

The Code of Conduct describes the main principles and practices of the Budapest Bank Group that must be complied with by everyone who is working for, or represents, the Budapest Bank Group.

The Budapest Bank Group requires contracted third parties (e.g. agents, suppliers, business partners) to comply with the principles of the Code and the provisions of Budapest Bank Group's regulations applicable to them and stated in their contracts.

OBLIGATIONS OF EMPLOYEES AND MANAGERS

Each employee is expected to:

- Be honest, fair, reliable and responsible.
- Be aware of the principles and the related regulations applicable to them and comply with them.
- Report any detected misdemeanour or unethical act and cooperate in the investigation of the misdemeanour.

Manager's tasks:

In addition to the above the managers are also responsible for operating a culture across the organisation that encourages employees to exhibit compliant and ethical conduct.

Therefore, each manager is also expected to:

- Be a leading example of integrity not only in words, but also in actions.
- Introduce control measures to detect risks and misdemeanours.
- Develop effective procedures to reduce the frequency of occurrence of risks and their impacts.
- Regularly check compliance with the rules and run periodic checks on the main processes.
- Document and report concerns expressed by the employees by using the appropriate channels.

- Apply immediate corrective measures to manage identified weaknesses.
- Take also into account compliance with the rules of integrity in the evaluation of employees.

All employees and managers who do not fulfil these obligations must face the consequences under the labour law.

REPORTING CONCERNS

Regardless whether it is founded or not, whenever a thorough suspicion arises, everyone must report immediately any concern that any of the integrity principles are not fully complied with. Our Bank offers a number of options for reporting, even anonymously, without any negative consequences for the individual submitting the report and treats such reports confidentially. We ensure independent and objective investigation of each report.

The Bank offers a number of channels for reporting concerns. Anyone may report both verbally and in writing any doubt concerning the integrity of a situation to the following people:

- Your direct line manager or the superior of your line manager,
- Your HR manager,
- Compliance manager or internal auditor,
- Senior Legal Advisor,
- Ombuds person. Accessibility of the ombuds channel:
 - Non anonymous e-mail: @Ombuds (ombudsmanbudapestbank@budapestbank.hu)
 - Anonymous phone calls: 450-9111
 - [Anonymous reporting platform](#)

The Bank fairly investigates each concern about integrity. Process of managing Ombuds reports:

- Ombuds identifies the facts based on interviews and/or review of documents - for which they may also rely on the assistance of an independent investigator.
- The Ombuds makes a proposal for the corrective measure whenever it is required.
- Feedback is sent to the individual submitting the report about the outcome of the investigation (unless the report was submitted anonymously).

In the course of reporting the Bank manages all data confidentially. The party submitting the report may do it anonymously. However, when they provide their names, they can be informed of the developments of the investigation. The personal identity and data of the reporting individual is shared with others only whenever required. Any direct or indirect retaliation against an employee reporting a concern provides a legal basis for consequences under the labour code, which may also include the termination of employment.

BASIC PRINCIPLES

1. NO CORRUPTION

Bribery is prohibited in every kind of business relationship and even its appearance must be avoided. Each employee must ensure that they avoid even the appearance of providing or accepting benefits for the purpose of any unethical business gain whether it relates to administrative licensing procedures or information or proposals to customers/partners, credit rating etc.

- No one may promise or offer pecuniary or any other property type benefit to others for the purpose of an unethical business gain.
- The same applies to the acceptance of gifts and entertainment: no gift can be accepted when its clear objective is an unethical business gain.
- Strict controls are applied to prevent and detect bribery. The strict control also applies to the appointment and management of third parties proceeding in business transactions in the name and on behalf of the Bank Group.
- We keep all our books and records accurately to adequately reflect the real nature of all transactions.
- Be careful in relation to any commission that may seem disproportionately high compared to the service provided.

2. CUSTOMER TREATMENT

We manage our stakeholders according to our strategy and values. The trust of our customers is extremely important to us.

- The relationship and our daily work with customers are determined by the following values.
 - **Straightforwardness:** we aim at clear, honest and concise communication.
 - **Simplification:** instead of bureaucratic and superfluous administration we provide easily accessible services.
 - **Transparency:** our proposals are easily understandable and controllable.
 - **Customer focus:** while developing our services and serving the customers we pay outstanding attention to the financial needs of our customers and their expectations towards us.
 - **Valuable service:** we give preference to long-term financial solutions that provide real values in serving our customers. We are open to innovative ideas, yet operate deliberately and responsibly to serve the interests of our customers, the community, our staff and the whole society.
- We give priority to the interests of our customers, aim at building partnership within the customer base and intend to have a dialogue with all groups concerned: we are open to feedback and regularly expand the feedback options.
- With our targeted approach and prudent lending policy we intend to offer transparent products and services to our customers resolving their real customer needs with clear and straight communication, enabling our customers to choose banking services that suit best their needs and debt capacity.
- Our advisers pay increased attention to clearly communicate all information related to products to our customers. Our information documents refer to the specificities of the products as well as the potential risks.
- We provide equal access to financial services to our disabled customers.
- Fair customer treatment is regularly monitored and the quality indicators are integrated into the incentive systems. The Bank's relevant committees analyse the results and all our experience is used to improve our services.

3. MAINTAINING CONTACT WITH EXTERNAL SUPPLIERS

The reputation of Budapest Bank Group, earned with integrity, may be significantly influenced by our selected supplier partners. All supply contracts of the Bank Group must be based on lawful and fair practices.

- We work together only with suppliers who respect the interests of the Bank Group and its high expectations for integrity.

- The Bank Group provides a fair opportunity to suppliers to be part of our purchases, whether they are small enterprises or companies employing disadvantaged people.
- The Bank Group builds a business relationship only with suppliers who fully comply with the statutory requirements for employment, environment and health and safety and who treat their employees and others with respect and fairness.
- The Bank as a business enterprise supports respect for human rights.
- The Bank protects information, including the confidential and exclusively owned information and personal data of its own, customers and suppliers.
- All decisions to select suppliers are based on professional and business criteria only. All our employees must avoid actual and potential conflict of interest in the course of selecting suppliers and may never ask for or accept any money, gift or other property type items.
- Each employee is obliged to report any problem or concern concerning a relationship with suppliers especially when the relationship with that supplier imposes a threat to the integrity of the Bank Group, when they detect any unlawful activity or suspicion thereof, when they come across hazardous conditions at the site of any supplier or notice that environmental regulations are disregarded.

4. PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

The Budapest Bank Group is committed to complying with the effective laws and regulations on the prevention of money laundering, corruption and terrorist financing.

- The Bank is committed to taking action to prevent terrorist financing and to complying with the Hungarian and international legal regulations and rules pertaining to it. In line with the expectations it runs processes and systems to prevent individuals and organisations subject to property type restrictions from using the Bank's services.
- The Bank Group is committed to take action against anyone who uses its services to launder money obtained from crimes. The Bank operates processes and systems in order to find suspicious transactions as expected by the regulations. The Bank devotes special importance to the prevention of money laundering and therefore each employee must comply with the AML regulations and shall also bear in mind their statutory responsibility for promoting lawful activities.
- Money laundering and terrorist financing may be prevented and impeded effectively and efficiently only when the Bank proceeds carefully during the establishment of a relationship with customers, the execution of transaction orders and in the course of the business relationship.
- The Bank applies the risk-based approach principle, according to which distinction is made in the scope of the geographically alternate due diligence measures applicable to individual customers, products and services because the customers, products, services and geographical areas do not entail uniform risks. In line with the requirements the business relations, transaction orders and acting individuals are defined where minimum or maximum data are recorded depending on whether they represent a low, medium or enhanced risk for the Bank.
- Each employee of the Bank Group must be aware of and apply the AML regulations relating to their jobs, including especially the obligations arising from the identification of customers.
- Each employee of the Bank Group must take part in the training programmes organised by the Bank and take the respective exams in order to be aware of the statutory regulations pertaining to money laundering, terrorist financing, sanctions and embargo requirements and to recognise business relationships and transaction orders facilitating or actually implementing money laundering or terrorist financing.
- All colleagues must be aware of their obligations to be performed whenever money laundering is suspected and shall forward the information obtained by them to the competent colleagues of the Bank.

5. COMPLIANCE WITH THE PROVISIONS OF THE COMPETITION LAW

It is prohibited to enter into any agreement with competitors that deprives customers from the advantages of competition.

- All our employees are responsible for complying with all effective competition laws, rules, regulations and instructions.

- We never collude with other companies in relation to prices and conditions offered to customers; we do not agree with our competitors on the distribution of the markets or customers and do not manipulate the process of making offers.
- It is prohibited to discuss the details of competition in the market with any competitor of the Budapest Bank Group, including pricing, offers, business terms and conditions, wages or the distribution of market and customers.
- We must avoid any contact with competitors that may create an appearance of an unfair agreement or concerted activities. We must avoid situations where unfair agreements may be created with competitors or a suspicion may arise that they share information between each other. If anyone still gets into such a situation, they must immediately inform their legal counsel.
- If anyone maintains contact with competitors, they must have completed the effective training defined by the Budapest Bank Group and be in possession of the required approvals.
- It is prohibited to exchange confidential information with competitors or their representatives on the following topics even at professional events and during private conversations:
 - Prices, costs, margins and returns
 - Offers, tenders;
 - Customers, suppliers, sales channels;
 - Sales and volume data constituting business secret;
 - Market share;
 - Sales marketing and development strategies of products and services;
 - Distribution methods.

6. FAIR EMPLOYER PRACTICES

The role of our employees in our business efficiency is crucial. We, at Budapest Bank, understand that our success is based on employees, motivated, committed and trained for a long-term. Continuation of the inclusive approach at the workplace is the key component of our corporate culture. We provide equal opportunities to everyone for performance-based promotion.

- Employment decisions are made on the basis of achievements and performance, including school qualifications, professional experience, abilities, skills, approach and performance.
- The decisions may not be influenced by the origin, colour of the skin, religion, national or ethnic origin or gender (including pregnancy), sexual orientation, gender identity, age, disability or any other characteristic attribute protected by law of the individual.
- No one may reject work or collaboration with a colleague for such reasons.
- We pay a great deal of attention to creating a supportive work environment without any harassment, intimidation or humiliation based on attributes protected by law.
- We respect human rights.
- All forms of sexual harassment are prohibited.
- We comply with all labour laws and the laws that prohibit forced labour, mandatory labour and child labour, human trafficking and discrimination in employment.
- The practical implementation of the norms or conduct are guaranteed by the corporate ombudsmen. Exemplary colleagues, recognised by the other members of staff may be elected for the position of the ombuds to whom employees may turn in situations that raise concern in term of ethics and from whom they can receive impartial support and guidance, ensuring their anonymity.
- We support atypical employment forms the terms and conditions of which were laid down in the regulations.
- At Budapest Bank we put a lot of stress on the career development and promotion of our female colleagues. The Bank Group tries to help employees coordinate their family life with work and supports the seamless return to work of all employees after a child care leave.
- We assist members of minority groups, disabled individuals and people with altered working capacity to exploit their opportunities in employment.

- The Budapest Bank Group regularly offers training and internal training courses for its staff and also provides training to help talented colleagues develop and get promoted.

7. ENVIRONMENT, HEALTH AND SAFETY

Budapest Bank complies with all statutory requirements on environment protection, health and safety which relate to our operation.

- Budapest Bank complies with the requirement on health and safety and environmental protection and pays attention to environmental and safety risks occurring at the workplace.
- Budapest Bank is committed to ensure conditions of not hazardous for health and safe working conditions, protecting the health of employees, their ability to work and humanizing their working conditions, to prevent accidents at work and diseases regarding employment.
- We develop and perform safe work processes with which the safety of the workplace is guaranteed and accidents can be prevented.
- We take into account the human factor in the design of the workplace, the choice of work equipment and working processes.
- We apply the results of technical progress in the field of environmental, health and safety.
- We develop a coherent and comprehensive prevention strategy covering processes, technology, work organisation, working conditions, social relations and the impact of working environment factors.
- Everyone has a right and obligation to question any dangerous and inadequate operation, and everyone shall refuse to execute a demand if it is contrary to the rules of employment or would directly and seriously endanger the life, physical integrity, health of the employee, and if its implementation would directly and seriously endanger the health of another person or the environment.
- The elimination and prevention of risks begins with their identification and assessment. The line manager or the health and safety officer must be notified when an employee detects any hidden or disregarded regulation or hidden risk.
- Regular internal audits and developments are pursued in our central premises and branch network in order to improve the conditions of the workplace.
- The execution of tasks in the occupational health sector is organized by the work of a person entitled to carry out specialized activities in the occupational health service' competence.
- HR, occupational health and EHS employees particularly focus on working conditions of vulnerable persons, persons exposed to an increased psychosocial disease factor and employees with disabilities.
- Four forums are provided for workers' safety and health, such as the Work Council, the Trade Union, the Safety Representative and the Ombuds institution.
- Budapest Bank pays particular attention to employees whose activities affect the safety system and culture should participate in relevant further professional and qualifying training courses
- The legal entities of Budapest Banking Group express and enforce the need to pursue the interests of occupational safety and fire to third parties. If the employees of suppliers required to work on a work site owned by the Budapest Banking Group they should not pose a risk to the employees affected with the work.

8. GUARANTEE OF THE SECURE OPERATION OF THE BANK GROUP

Protecting its employees and operation is the most important requirement for the Bank. Strict security and crisis management plans are introduced that guarantee the safety of our employees and operation. These plans contain procedures for the identification and prevention of risks affecting people, facilities, IT equipment and systems, and are caused by man or nature.

- The security experts of the Bank Group organise exercises for crisis management and business continuity as well as for the prevention of the violation of rules at the workplace and deliver training to enhance security awareness and to provide knowledge to colleagues with which they can feel safe at the workplace, at home and during their trips. Each employee is responsible for actively taking part in it.
- Each colleague is responsible for maintaining awareness of the situation; assisting the Bank in protecting its colleagues, visitors and customers.

- Everyone must comply with all entry and exit procedures. People must wear their badge and make sure that other also do the same. The badges may show signs proving that the individual is authorised to enter the Bank's premises and ensure that only the AUTHORISED staff can enter the Bank's facilities.
- Security concerns may be reported on the following channels: by phone to the security experts of the Bank (e.g. theft, break-in attempt, missing employees or data loss). All similar and any other unusual or suspicious activity must be reported to direct managers or to the Security and crisis management officers! Violence at the workplace or any sign suggesting violence may be reported to the HR officer or to the ombuds person.

9. INTELLECTUAL PROPERTY

The Bank uses all statutory instruments to protect its intellectual property and apply adequate legal measures against parties infringing its intellectual property. Each employee must protect the Bank's intellectual property because this is a key to our competitive advantage.

- The Bank respects the effective intellectual property rights and applies adequate measures to prevent any unauthorised use in the Bank of any intellectual property belonging to other people or organisations.
- Intellectual property is included in the most valuable assets of the Bank.
- Each employee creates, uses or has access to intellectual property of the Bank every day.
- Intellectual property includes the Bank's processes, internal instructions, commercial secret and know-how. They help protect the Bank's service processes, business plans, software, exclusively owned information and many other rights.
- The Bank has an exclusive right to the intellectual property created or produced by its employees during their employment.
- Exclusively owned information is any information which was not disclosed to the public (e.g. not disclosed to the public or not accessible generally and treated as confidential information).
- In the course of classification labelling, storage and distribution of all banking data, information and documents the provisions of the Bank's data management regulations must be complied with, making sure that access may be granted to the information documents only to those who.
- The employees may use the Bank's exclusively owned information only in the interest of the Bank. Such information cannot be used for personal reasons.

10. CYBER SECURITY AND DATA PROTECTION

The Bank respects the data protection rights of individuals. The Bank is committed to responsibly collecting, managing and protecting personal data, in compliance with the effective laws on data protection and data security. The Bank tries to protect networks, systems, devices and data which are in its possession. According to our regulations, we may use data only for lawful purposes maintaining adequate access control procedures.

- Personal data is any data that relate to directly or indirectly identifiable natural persons, including names, e-mail addresses, phone and document numbers as well as bank or credit card numbers. Cyber security and data protection incidents may occur in a number of ways.
- The Bank's regulations specify the security checks to be conducted on our systems prior to putting them into service, monitoring cyber security threats and vulnerabilities.
- Everyone must follow the secure software development and maintenance guidelines of the Bank who is responsible for software computer technology or process development and who takes advantage from them.
- Customers have to be informed about cyber security problems. The vulnerability disclosure guidelines must be followed in the Bank's information security regulations.
- Only those competent individuals may be granted access to the Bank's data for whom the data are required for lawful business purposes.
- Every other employee is responsible for preventing unauthorised access to the Bank's data or accidental loss, disclosure or destruction thereof.
- Each risk or incident must be reported within the Bank, including the following:

- Possible data loss or data theft, including the loss of laptops or any other computer technology equipment;
- Data loss and data fraud or unlawful access of data;
- Security problems affecting banking products, processes or systems.

11. FINANCIAL CONTROLLING

The books and reports of the Budapest Bank Group provide a true and fair view of the economic content of the business activities of the company in line with the generally accepted accounting and bookkeeping guidelines and regulations and the statutory requirements pertaining to bookkeeping and financial reporting.

- We prepare our financial statements trying to present the true and fair view of the business and therefore each employee is responsible for making sure that all booking transactions are performed in accordance with the accounting regulations based on the facts known by them, whether it involves a cost, invoice, commission income or provisions for expected losses etc.
- We prepare our reports for the management, investors, regulatory agencies and other stakeholders on the basis of timely, accurate and complete financial information.
- We ensure that all management decisions are based on thorough economic analyses and complete facts, taking into account short and long-term risk factors.
- We always define the value of particular assets and exposures on the basis of values and indicators calculated with controlled and approved models and prudent principles.

12. CONFLICTS OF INTEREST

A conflict of interest is an actual or apparent conflict of interest occurring during the business activity as a result of an economic or social interest or activity outside the Bank Group. The relationship of the employer with customers, suppliers, other contracted partners, competitors and other employees may result in a conflict of interest.

- The Bank Group employee provides the banking service requested by the customer honestly and regularly, by taking into account the customer's needs.
- The employees of Budapest Bank make business decision during work objectively, focusing only on the objectives and interest of Budapest Bank and protecting its good reputation and not considering their personal gains. Each employee must ensure that they are not impeded in the fulfilment of that requirement by any activity, interest or condition. Even an appearance of a conflict of interest may have a negative impact and therefore all interest and activity must be avoided that may create an appearance that the personal interests of the employee violate the interests of Budapest Bank.
- An employee may not pursue any activity that violates the good reputation and therefore business interests of Budapest Bank.
- It is prohibited to abuse the resources of Budapest Bank or the employment relationship with the Bank. The resources, intellectual property and reputation of Budapest Bank must not be used for personal purposes.
- In order to fully identify all conflicts of interests, each employee of the Bank Group must immediately report any activity and interest outside the Bank Group that may influence their commitment to the objectives of the company, the objectivity of their decisions or the efficiency of their work (performance and work load at the bank). On the basis on potential conflicts of interests the employer and the employees may be able to mitigate the risk that affect the efficiency and effectiveness of work.
- The Bank Group identifies, detects and then terminates or manages situations involving a conflict of interest. The Bank Group develops adequate control processes to eliminate actual conflicts of interests and to manage potential situations involving the conflict of interest.
- It is recommended that employees request prior guidance from their managers, HR representatives or the Budapest Bank Financial Crime manager before accepting any assignment or position or employing or promoting a close relative or a close acquaintance, or putting them into a position where they would become directly subordinated to them.
- Any actual or potential conflict of interest must be reported through an application accessible online.

13. INSIDER TRADING AND MARKET MANIPULATION

The employees of the Budapest Bank Group may not use or share with other insider information.

- Insider information is exact information which was not disclosed to the public, which relates, directly or indirectly, to one or more issuers or to one or more financial assets and the discloser of which is likely to have a major impact on the price of the financial assets concerned or the related derivative financial instruments.
- Market manipulation involves the execution of a transaction or the placement of an order as well as dissemination of information that may give false or misleading signals for the demand for or price of the particular financial asset.
- It is prohibited to trade, either directly or through a family member, another person or organisation, with the securities of a company in relation to which one has insider information. Market manipulation is prohibited.
- An employee may not make a proposal to anyone to sell or purchase securities if they have important internal information about the issuer company.
- Everyone should share important internal information with others only in cases and manners that comply with the regulations of the Budapest Bank Group.
- Attempts must be made to avoid discussing the activities of Budapest Bank Group during conversations with the family and friends.
- Each employee must comply with the reporting and other requirements defined in the internal regulations of the Budapest Bank Group on personal securities transactions.

14. CORPORATE SOCIAL RESPONSIBILITY

Responsible thinking and operation prevails in each level and function of the activities of the Budapest Bank Group. Our corporate responsibility strategy (CSR) is determined by responsible conduct in our operating environment, responsibility for employees, customers and business partners as well as commitment to external stakeholders and the civil society.

- We actively work for society not only in matters resulting from our business activities. Our objective is to take an active role in the life of the civil society and assist in important matters and in improving the conditions of life of those living in our wider environment.
- Our CSR strategy is dominated by attempts for sustainability and innovation. In our support system we pay outstanding attention to long-term cooperation, focusing on regularity and credibility. At the same time, we remain sensitive to the actual environmental and social problems and support their management at local level.
- The main pillars of the corporate social responsibility strategy of Budapest Bank that relies on the above principles include the development of the financial culture, voluntarism, support of community interests and protection of environment.
- With the help of our own foundations and programmes as well as through cooperation with non-profit organisations, we play an active role in supporting culture, intellectual life, education and people in socially disadvantaged situations. It is important for us to create opportunities for our employees, enabling them to be actively involved in the Bank's programmes and to accept their initiatives within reason.
- Our detailed and relevant information is also included in our bi-annual corporate social responsibility report, also published on our Bank's website.