

## **RULES OF PROCEDURE FOR INVESTIGATING CODE OF CONDUCT VIOLATIONS**

## **1. Ethics Committee, its Members and Invitees**

1. The Company operates an Ethics Committee (hereinafter referred to as: "Ethics Committee") to identify the violations of the provisions of the CEEnergy-BSz-025 Code of Conduct (hereinafter referred to as "Code of Conduct"), that is to carry out an ethical investigation, during which reports made under the Code of Conduct are investigated according to these rules of procedure (hereinafter referred to as "Rules of Procedure") (hereinafter jointly referred to as "ethical investigation").
2. The Ethics Committee shall provide a position statement for the CEO declaring whether the person involved in the specific case has violated the Code of Conduct.
3. The chairman of the Ethics Committee is the General Counsel, as the head of the Compliance support organisation. The members of the Ethics Committee are the Legal Department Head or the compliance consultant of the Compliance support organisation if the General Counsel also functions as the Legal Department Head, and the Head of HR.
4. The following shall participate in the Ethics Committee meetings as invitees invited by the Chairman:
  - a) the person delegated by the Works Council management for this task, at all times,
  - b) the person delegated for this task by the Company's representative trade union if the employee concerned by the ethical investigation is a trade union member,
  - c) the manager, executive officer or specialist of the Company whose participation is justified due to their involvement, their professional competence or pursuant to the Company's internal regulation (e.g.: in issues of physical safety, IT security, conflict of interest).
5. The appointed compliance consultant shall participate in the Ethics Committee meeting as the Ethics Committee secretary acting as minutes secretary.
6. In case of absence or long-term unavailability, Ethics Committee members shall be substituted by a person appointed by them in writing. In case of absence or long-term unavailability, persons invited to the meeting shall be substituted by another person appointed by the delegating body. Substitution shall terminate upon the end of absence or long-term unavailability. Absence exceeding a period of 30 days – for any reason – shall qualify as long-term unavailability.

## **2. Options for Reporting**

1. Pursuant to the Code of Conduct, reports to initiate an ethical investigation can be made to the Company by mail or by e-mail.
2. Reports by mail shall be sent to the following address: 1398 Budapest Pf. 564.
3. Reports by e-mail shall be sent to the following electronic mail address: [compliance@ceenergy.hu](mailto:compliance@ceenergy.hu)
4. Reports by phone shall be made using the Company's central phone number: +36 1 354 – 7000.
5. Reports can be made – either by name or anonymously – by filling in and – in case of non-anonymous reports – by signing the CEEnergy-BSz-025-NY-04 Reporting Sheet for Ethical

Investigation - template (hereinafter referred to as Reporting Sheet). In case of reports made by phone, the data required in the said template shall be provided to the person recording the report.

6. The Company shall publish the Reporting Sheet on its website, together with a draft of these Rules of Procedure, thus making them available to every employee, customer, contractual partner and anyone else entering into a business relationship with the Company.

In case of reports made by mail:

7. The Reporting Sheet shall be sent by mail, in a closed envelope, labelled as: "*Report for ethical investigation*". If the whistleblower makes an anonymous report, no personal data shall be indicated on the envelope, failing which the report will not be anonymous. The Receptionist shall not open the envelopes received by mail upon receipt, but hand it over directly to the head of the Compliance support organisation.

In case of reports made by email:

8. The Reporting Sheet shall be sent to the electronic mailing address with a delivery receipt request turned on by the reporting person prior to sending. In case of electronic reports, the whistleblower shall send the Reporting Sheet from an electronic mail address that contains no personal data for the sake of preserving anonymity. The email address provided can be accessed by the head of the Compliance support organisation and the Compliance support organisation.

In case of reports made by phone:

9. In case of reports made by phone, based on information provided by the whistleblower, the Receptionist shall record the report in writing by filling in the Reporting Sheet, and then place it in a closed envelope labelled as: "Report for ethical investigation". Following this, the Receptionist shall hand the envelope over directly to the head of the Compliance support organisation. In case of reports made by phone, signing the Reporting Sheet is by nature not required, or if the reporting person requested anonymity, the Receptionist shall not record on the Reporting Sheet any personal data in relation to the reporting person. In this case, the reporting person – if he or she requests notification on the results of the ethical investigation – shall provide an electronic mail address that contains no personal data whatsoever.

Reports made by the chain of command:

10. If the employee makes the report by the chain of command pursuant to the Code of Conduct, the report can be made only by name, by filling in the Reporting Sheet and then by submitting it on paper or by email to a superior. The delivery or the receipt of the email shall be confirmed by the superior in writing, and then shall be handed over or forwarded by email to the head of the Compliance support organisation.
11. In the framework of the whistleblowing system, the Company or the Ethics Committee may process the personal data (including in particular sensitive data and criminal personal data) of the
  - a) reporting person and
  - b) the person whose conduct or omission gave cause for the report, or who has relevant information on the content of the report (hereinafter referred to as person concerned by the report)

to the extent strictly necessary for the investigation of the report, exclusively for the purposes of investigating the report and remedying or terminating the conduct leading to the report.

12. Personal data not subject to Section 9 shall be deleted without delay from the data processed within the framework of the whistleblowing system.
13. The personal data of the reporting person – except for data under Sections 3.5 and 3.6 – may only be handed over to a body competent to carry out the procedure initiated on the basis of the report investigation, provided this body is entitled to process them according to the law, or if the reporting person clearly consented to the transmission of such data. Personal data of reporting persons may not be disclosed to the public without their clear consent.

### **3. Actions Based on the Report**

1. Having received the report, the head of the Compliance support organisation – also involving the Legal Department Head if necessary – shall immediately, but not later than within 8 business days, evaluate the report to the effect whether its detailed investigation (hereinafter referred to as investigation) can be omitted.
2. The investigation of the report can be omitted if:
  - a) it is a repeated report made by the same reporting person, with identical content to that of the earlier report,
  - b) the report is made by the reporting person six months after becoming aware of the activity or omission that he or she complains about,
  - c) the prejudice to public interest or overriding private interest is not proportionate to the limitation of the rights of the person concerned with the report resulting from the investigation of the report,
  - d) the report was made obviously or per se apparently in bad faith or it has communicated untrue information of crucial importance in bad faith,
  - e) the conduct as per the state of facts described in the report does not violate the Code of Conduct.
3. If any of the cases as per the above a)-e) items exists, without convening the Ethics Committee, the head of the Compliance support organisation shall – according to the signatory rules – inform the reporting person on the result of the investigation, in writing, and with reasons stated, using the contact details specified by the reporting person if the report was made by name, or via the email address the report was received from in case of anonymous reports.
4. If none of the cases as per the above a)-e) items exists, following the action taken, the head of the Compliance organisation shall immediately convene the Ethics Committee to carry out the ethical investigation and to issue a position statement.
5. In case of Section 2d), if it is obvious that the whistleblower has communicated untrue information with critical importance in bad faith and
  - a) it gives rise to an indication that a crime or an offence was committed, his or her personal data shall be handed over to the body or person entitled to carry out proceedings,

b) there is good reason to consider it likely that the whistleblower caused unlawful damage or other breach of rights, his or her personal data shall be handed over to the body or person entitled to initiate or carry out proceedings, upon the request thereof.

6. Section 5 shall also apply if during the Ethics Committee's procedure, the ethical investigation, it becomes clear that a state of facts subject to Section 5 exists.

#### **4. Ethics Committee Procedure Framework and Principles**

1. The members of the Ethics Committee shall decide on and investigate the cases impartially, professionally, confidentially and independently from their interests resulting from their employment relationship or committee positions, while fully respecting the principles set out in the Code of Conduct.
2. The Ethics Committee shall issue its position statement in the spirit of the Code of Conduct, with utmost care, after having closely examined the circumstances of the respective case, in line with earlier positions.
3. Members of or invitees to the Ethics Committee shall inform the chairman of the Ethics Committee if they are biased regarding a specific investigation, while in case of the chairman's bias, the rest of the members of the Ethics Committee shall be informed. In this event, they shall be substituted subject to the rules set out in Section 1.6, with regard to and for the period of investigating the relevant case.
4. If any of the Ethics Committee members or invitees face ethical proceedings, the thus affected person shall not take part in the Ethics Committee's work.
5. During the investigation of the reports, the person concerned by the report shall be presumed innocent by the Ethics Committee unless confirmed to the contrary by evidence. The members and invitees of the Ethics Committee shall ensure the human dignity of the persons concerned during the investigation.
6. The members and the invitees of the Ethics Committee shall keep confidential the information regarding the content of and the persons concerned by the report until the investigation is concluded or prosecution is initiated as a result of such investigation, and shall not disclose them to any other organisational unit or employee of the Company – except for providing information to the person concerned by the report.
7. In keeping with the requirements of fair procedure, it shall be ensured for the person concerned by the report to describe his or her position regarding the report via a legal representative and to provide evidence thereto.
8. The investigation of the Ethics Committee shall be documented via minutes, including an attendance sheet filled in and signed using the template as per Annex No. 1.
9. The minutes shall include the report of the Ethics Committee (hereinafter referred to as Investigation Report) discussing at least the following:
  - a) clarification of the state of facts, evidence examined, evaluated and considered,
  - b) the major steps, votings and decisions of the investigation,
  - c) the position statement of the Ethics Committee to the effect whether the Code of Conduct was violated or not, and if so, which provisions were breached,

- d) a proposal for the CEO for the application or omission of labour law implications based on the position statement,
  - e) a proposal for the CEO for the initiation or omission of any other proceedings based on the position statement.
10. The minutes shall be signed by the chairman and the secretary taking the minutes. The original copy of the minutes shall be archived subject to the Company's internal regulation, and as required, Ethics Committee members and persons concerned by the report may receive a copy or a written extract, which shall be kept confidential.
  11. If based on the Ethics Committee's investigation the report was not justified or if no further actions are required, the chairman shall arrange via the secretary of the Ethics Committee the deletion of the data regarding the report within 60 days from the conclusion of the investigation.
  12. If based on the Ethics Committee's investigation action is taken – including action for legal proceedings or disciplinary measures against the whistleblower –, data regarding the report shall be processed in the whistleblowing system no longer than until the final disposal of the proceedings initiated on the basis of the report. Following this, the chairman shall arrange via the secretary of the Ethics Committee the deletion of the data.
  13. The chairman shall inform the whistleblower on the results of the report investigation, using the communication means specified by the whistleblower.

## **5. Procedure of the Ethics Committee, Investigation**

1. The Ethics Committee shall not hold regular meetings, as meetings are held when convened by the chairman. The chairman shall convene the Ethics Committee for a date not later than within 15 business days following the prior action taken as per Section 3.1.
2. The meeting shall be convened so that the chairman, the members and the invitees can be present. The Chairman shall prepare the meeting agenda via the secretary of the Ethics Committee. The meeting shall be conducted by the Chairman.
3. The Ethics Committee meetings are not public, only the members and the invitees, and in case of his or her hearing, the person concerned by the report may participate.
4. The report shall be investigated as soon as possible due to the circumstances, but not later than within thirty days from receiving the report, and – except for anonymous reports – derogation from this deadline is possible only in cases justified by the chairman, simultaneously informing the whistleblower (if known) thereof. The length of the investigation may not exceed three months from receiving the report.
5. Where the report was received with the name indicated, the chairman shall arrange that the whistleblower is notified of the start of the investigation, by means specified by the whistleblower.
6. Based prior information, the members of the Ethics Committee shall prepare for the details of the case to be discussed at the Ethics Committee meeting.
7. Quorum shall exist at an Ethics Committee meeting if the chairman and the members are all present. In the event of voting, the members of the Ethics Committee shall participate in the voting, with one (1) vote per member.

8. Upon launching the investigation, the person concerned by the report shall be informed in detail with regard to the report, his or her personal data protection rights and the rules of related data processing. The person concerned by the report can be informed later only in duly justified, exceptional cases, provided that prompt information would undermine the investigation of the report.
9. The Ethics Committee may hear the person concerned by the report in person, during its meeting. The person concerned may participate in the meeting during the hearing only.
10. The Ethics Committee shall be entitled to access the documents required for investigating the case, and to carry out hearings. Persons whose hearing is deemed necessary to clarify the case shall be obliged to attend the meeting of the Ethics Committee as witnesses.
11. Invitees shall provide to the Ethics Committee any and all information and documentation related to the case, in advance, until the deadline set by the chairman, and they shall continuously inform the Ethics Committee with regard to the current developments and information regarding the case. Where applicable, at the Ethics Committee meeting, invitees shall present the documents of the case to be discussed, provide information on measures taken with regard to the case, together with the circumstances and results thereof, and they can also give their opinion prior to the voting.
12. The Ethics Committee shall establish its position statement set out in the Investigation Report and its recommendations [see Section 4.9. c), d) and e)] as a result of the voting. The voting shall be conducted by the chairman. The Ethics Committee shall make its decision by simple majority in these subjects. Voting shall take place after having carried out the investigation.
13. Following the position statement and recommendation, members of the Ethics Committee are entitled to request information from the CEO on the steps, circumstances and results of the actions taken in the respective case. Invitees are entitled to request information regarding these subjects from the chairman of the Ethics Committee.

## **6. Legal Implications of Violating the Code of Conduct**

1. Any behaviour in conflict with the rules of conduct specified in the Code of Conduct may be prosecuted (inter alia by taking criminal measures and measures under labour or other law), not only in cases of wilful acts but also negligence.
2. Considering the Ethics Committee's recommendation and position statement specified in the Investigation Report [see Section 4.9. c), d) and e)], the CEO shall at his or her own discretion decide on the possible legal implications in the respective case, unless based on the investigation, the conduct is a criminal offence.
3. If the conduct violates the rules of conduct specified in the Code of Conduct, employer measures may be enforced against the employee concerned by the report pursuant to the employment rules.
4. The CEO shall inform – via the head of HR – the person concerned by the report with regard to the decision, and shall arrange the involvement of the competent organisational units in the implementation.
5. If based on the investigation, the conduct is a criminal offence, criminal proceedings shall be initiated, in which case the CEO, involving the Legal Department Head, shall arrange that an official complaint is filed.

6. Regarding the employment measures pursuant to Section 3, the employee concerned by the case may seek remedy from the competent person or body in line with the labour regulations.

## **7. Ethics Committee Secretary**

1. Due to the sensitive and confidential nature of the cases referred to the Ethics Committee, traceable administration, along with prudent and safe information management are of key importance.
2. The secretarial tasks of the Ethics Committee shall be performed by the compliance consultant or an employee with a university degree in law, as appointed by the chairman.
3. The secretary shall be subject to the same confidentiality, procedural and fiduciary rules as those set forth herein for the members of the Ethics Committee.
4. The tasks of the secretary shall include in particular – unless separately specified herein –:
  - a) performing the administrative tasks related to the cases referred to the Ethics Committee,
  - b) arranging the meetings of Ethics Committee:
  - c) preparing the agenda and submitting it to the chairman for approval
  - d) performing technical tasks in relation to convening the Ethics Committee (e.g.: inviting members, invitees and persons concerned by the report),
  - e) supporting the chairman's work.

Annex No. 1: Attendance Sheet for the Ethics Committee Meeting



Annex No. 1

**ATTENDANCE SHEET FOR THE ETHICS COMMITTEE MEETING**

Venue: .....

Date: .... (day) ..... (month) ..... (year)

Name	Position	Function	Signature
	Head of the Compliance support organisation.	chairman	
	Head of the Legal Department/Compliance consultant	member	
	Head of HR Department	member	
	Works Council delegate	permanent invitee	
	Trade union delegate (if the person concerned is a trade union member)	invitee	
		invitee	
		invitee	