



HungaroControl

Magyar Légiforgalmi Szolgálat Zrt.

**THE POLICY OF
HUNGAROCNTRON HUNGARIAN AIR NAVIGATION SERVICES PRIVATE LIMITED COMPANY**

ON THE CODE OF ETHICS

2nd edition

Issued: 31 March 2022

1. Introductory Provisions

- 1.1. The Chief Executive Officer of HungaroControl Hungarian Air Navigation Services Private Limited Company (hereinafter as: HungaroControl Pte. Ltd. Co. or the Company), based on the provisions of Government Regulation no. 339/2019 (XII. 23.) on the internal control system of publicly owned companies (hereinafter as: Government Regulation), and taking into account the shareholder and business interests, defines the ethical principles and expectations of HungaroControl Pte. Ltd. Co. in this Policy, to ensure the ethical operation of the Company.
- 1.2. The purpose of this Policy is to make known the values and ethical principles generally expected by HungaroControl Pte. Ltd. Co. and to support the identification and prevention of ethical risks and conflicts of interest; to maintain an integrity-oriented organisational culture based on transparent and clear values.
- 1.3. The scope of this Policy applies to all employees of HungaroControl Pte. Ltd. Co., to military ordered and hired employees of the Company (hereinafter collectively referred to as: employee) and, where applicable, to its business partners having a contractual relationship with the Company.

2. General provisions

- 2.1. In order to achieve the objectives set out in the Government Regulation and in this Code, HungaroControl Pte. Ltd. Co. sets out its ethical principles and expectations in the Code of Ethics annexed to this Policy, and identifies the main types of potential conflicts of interest and provides guidance on how to deal with them. The Code of Ethics does not seek to identify all ethical behaviour and conflicts of interest, but it does provide support in identifying the ethical problems and conflicts of interest that are most prominent, and in raising awareness of the risks and consequences of their occurrence.
- 2.2. In addition to complying with the currently effective laws and internal regulations, HungaroControl Pte. Ltd. Co. embraces the moral principles and values set out in the Code of Ethics as part of its organisational culture, makes their observance mandatory for its employees, and expects and recommends them to its business partners as well.
- 2.3. HungaroControl Pte. Ltd. Co. publishes on its website its Code of Ethics, which is an annex to this Policy, containing rules of conduct that protect the public interest or overriding private interests, in order to make known and promote the application of ethical principles and values, as well as ethical standards and provisions.
- 2.4. HungaroControl Pte. Ltd. Co. will conduct the investigation specified in the Policy of HungaroControl Pte. Ltd. Co. titled "Policy on handling and investigating conflicts of interest and incidents that compromise organisational integrity" (hereinafter as: ITSZ) against persons who violate the ethical principles and/or ethical standards and requirements, and as specified therein, HungaroControl Pte. Ltd. Co. shall publish on its website information on its procedures for the notification of incidents of breaches of organisational integrity, and on the data processing actions and activities carried out in the course of the investigation of the notification, the initiation and implementation of the related measures, and the monitoring and recording of the measures.
- 2.5. On the basis of the (prospective) employees' declarations, HungaroControl Pte. Ltd. Co. will investigate any conflicts of interest or incompatibility of interest brought to the Company's attention in accordance with the provisions of the ITSZ, the internal regulations on the performance of certain tasks related to

the establishment, maintenance and termination of employment relationships and other internal regulations on the conflict of interest related declarations, and will take the necessary preventive or reactive measures (e.g. discharge procedure) to manage the risks arising from the conflict of interest.

- 2.6. The Compliance Unit (hereinafter referred to as: COMP) shall review the provisions of the Code of Ethics as necessary, but at least annually, and, if justified, it shall make a proposal for their amendment to the CEO through the Legal and Compliance Director of HungaroControl Pte. Ltd. Co.
- 2.7. Anyone with questions about the interpretation of the standards set out in the Code of Ethics can contact COMP at etikai.helpdesk@hungarocontrol.hu.
- 2.8. COMP operates a whistleblowing system for employees of the Company or any other external person; reports of breaches of the ethical requirements set out in this Policy can currently be made by email to integritas@hungarocontrol.hu. The Company's Legal and Compliance Directorate (hereinafter referred to as: JMFI) will arrange for the operation of the whistleblowing system to be managed by an external service provider in the future.
Information on the current operation of the whistleblowing system, the notification procedure and the processing of personal data is available on the Company's website.
- 2.9. In relation to the Code of Ethics and the related internal regulations, the Human Resources Department (hereinafter referred to as: HERO), with the involvement of JMFI, provides training to the Company's employees on the relevant conflicts of interest, including proper examples.

3. Closing provision

This policy shall enter into force on 31 March 2022, and simultaneously, the 1st edition of the Policy on the Code of Ethics is repealed.

Annex: Code of Ethics

László Tóth
Chief Executive Officer

Annex: Code of Ethics

I. ORGANISATIONAL VALUES

The Code of Ethics is based on the values that are in line with the objectives and specific role of HungaroControl Pte. Ltd. Co., which fundamentally orient the internal organisational culture and operations of HungaroControl Pte. Ltd. Co. and reflect its image of itself and its image towards the outside world.

HungaroControl Pte. Ltd. Co. is a respected player in its industry both domestically and internationally, and its success is based on the work of its dedicated employees, who are expected not only to deliver outstanding performance, but also to be able to adapt to the constantly changing circumstances.

1. Flight safety

Flight safety is a vital requirement of the aviation industry, a defining feature of the services provided to the clients and customers and the cornerstone of the values of HungaroControl Pte. Ltd. Co.

a) Priority: Think Safety first

The most important element of the air navigation service provided by HungaroControl Pte. Ltd. Co. is to ensure the uninterrupted safe capacity of the airspace and the safe flow of air traffic, and a flight safety-oriented approach is an indispensable prerequisite for this.

It is an important principle that in the operation of the Company, no compromise should be allowed which would in the slightest degree compromise flight safety or put any interest before this objective.

b) A strategic mission for the common good

For HungaroControl Pte. Ltd. Co., ensuring flight safety is a strategic activity, as maintaining the safety and continuity of air traffic is an elementary public need that satisfies a fundamental societal need. The strategic goal of HungaroControl Pte. Ltd. Co. is to become one of Europe's service providers having the best safety record, demonstrating the Company's high professional standards and creating opportunities for further development.

c) Safety awareness

Maintaining the safety of flights is a shared success of the Company's employees. The level of safety culture and flight safety awareness depends largely on the attitude of the employees. Therefore, HungaroControl Pte. Ltd. Co. strives to ensure that its employees perform their duties responsibly and to the best of their knowledge.

In order to maintain and improve its flight safety performance level, HungaroControl Pte. Ltd. Co. operates an integrated flight safety and quality management system for the whole Company and promotes the creation of a supportive environment for the development of a positive flight safety culture; the systematic reinforcement of a sense of responsibility based on flight safety values.

d.) Sharing of safety related information

HungaroControl Pte. Ltd. Co.'s culture of sharing flight safety information is well supported by the Just Culture environment, which serves to collect information on actual operations.

It is important that employees report even the slightest deviation detrimental to flight safety in a timely manner, as HungaroControl Pte. Ltd. Co. does not consider any deviation detrimental to flight safety to be acceptable. The Company will continuously collect and assess data on its flight safety and quality performance, informing stakeholders as necessary, so that they can implement effective preventive or corrective measures to minimise risks or avoid recurrence of deviations that have occurred.

2. Customer focus

HungaroControl Pte. Ltd. Co. provides high quality, safe services to international and Hungarian air transport operators. HungaroControl Pte. Ltd. Co. continuously monitors the development of the needs of its domestic and international partners and strives to serve them to the greatest extent possible. HungaroControl Pte. Ltd. Co. considers initiative, pro-activity and openness to be important values, through which it strives to maximise the potential of cooperation between air traffic service providers and between nations.

3. Professional standards

The credibility of HungaroControl Pte. Ltd. Co. is based on a high level of professionalism, quality services and consistent and value-based operations. The trust of partners can be gained and retained by ensuring these attributes on an ongoing basis. HungaroControl Pte. Ltd. Co. expects its employees to perform their work to the highest possible professional standards at all times, and at the same time supports them with the means at its disposal.

4. Efficiency and results focus

Increasing efficiency is not only in the interest of the Company, but also in the interest of the region and the European aviation industry as a whole. Therefore, HungaroControl Pte. Ltd. Co. strives to achieve the highest possible level of efficiency in its activities and in the development of its international cooperation; it is constantly looking for more effective solutions and the best possible use of resources. It is also open to learning and absorbing new international experiences, and for that purpose it constantly monitors and adapts to industry developments.

5. Cooperation

The behaviour of employees is determined by their common interests in common goals. The basis of effective teamwork is that, in sharing and carrying out tasks, employees should seek to cooperate with other organizational units and to solve problems jointly, taking into account each other's interests and the best interests of the Company.

In order to achieve the goals of HungaroControl Pte. Ltd. Co., it is essential to create both vertical and horizontal cooperation within the organisation, including a cooperative atmosphere between subordinates and managers, as well as good teamwork between employees.

These values should also apply beyond the direct working relationship to cooperation between organizational units.

6. Maintaining integrity

HungaroControl Pte. Ltd. Co. is committed to preserving its organisational integrity, i.e. to operating in compliance with the laws and internal regulations applicable to the Company, including rules of conduct that protect the public interest or overriding private interests, as well as its objectives, values and principles. HungaroControl Pte. Ltd. Co. will take appropriate action in the event of retaliation against an employee, regardless of his or her position in the Company, who truthfully and in good faith reports a possible breach of integrity.

7. Innovation and renewal

HungaroControl Pte. Ltd. Co. is looking for ways to innovate for better performance. Through its research and development activities, it provides outstanding solutions for both the company and the industry.

8. Fairness

For the employees of HungaroControl Pte. Ltd. Co., fairness is not an external constraint, but an internal expectation. It is of fundamental importance that all employees of HungaroControl Pte. Ltd. Co. act free from undue external influence, professionally and to the best of their knowledge, while respecting the generally accepted moral standards of honesty and integrity, and cooperate in the identification of potential conflicts of interest, in the reduction of the risks arising from them, and in their resolution.

9. Transparency

HungaroControl Pte. Ltd. Co. regards transparency as an important value and freedom of information as an outstanding constitutional value for the Company. The Company aims to ensure transparency in its operations through honest and direct communication, by ensuring the traceability of its activities and decisions, and by being open in its relations.

II. ETHICAL PRINCIPLES

1. In the internal relations of the Company

a) Respect for employees

HungaroControl Pte. Ltd. Co. aims to provide the highest possible quality of service to the actors of the aviation industry, and the key to ensuring this are the high level of added value represented by its employees, the continuous availability of an adequate number of qualified and specialised staff, and the employees supporting them in their work. One of the catalysts of competitive advantage is the reliability of qualified and dedicated human resources, therefore HungaroControl Pte. Ltd. Co. strives to ensure a high level of financial and moral appreciation of its employees, to ensure their continuous professional development and to improve their working conditions.

HungaroControl Pte. Ltd. Co. strives to attract and retain well-qualified staff and to continuously develop their expertise; it provides opportunities for the professional development of employees and supports their career.

As far as possible, HungaroControl Pte. Ltd. Co. wishes to take care of its employees at all levels, from the selection to the termination of their employment. HungaroControl Pte. Ltd. Co. strives to establish and maintain broad and effective cooperation with trade unions. HungaroControl Pte. Ltd. Co. strives to foster a sense of belonging among its employees in order to develop its organisational culture, thus it encourages the cultivation of employee relations that are of value to HungaroControl Pte. Ltd. Co. by supporting the organisation of cultural, sporting and social events.

b) Employee relations

HungaroControl Pte. Ltd. Co. considers it a fundamental value that all employees can achieve more as a strong community than as a group of individuals; each employee can only be successful individually if they do as much as possible to achieve common goals. Part of a quality organisational culture is the cohesiveness of the workplace community as a whole, trust and respect for each other, which also increases work efficiency. The professional and moral credibility of HungaroControl Pte. Ltd. Co. can be established and maintained through objective, fair and helpful working relationships, and these values must also be reflected in the cooperation between the individual organizational units. Therefore it is essential that the employees of HungaroControl Pte. Ltd. Co. think in forward-looking solutions, taking into account the interests and aspects of others, and look for points of connection, even in the awareness of differences, in order to strengthen synergies and break down barriers that hinder the achievement of common goals.

c) Providing a suitable environment and working conditions

HungaroControl Pte. Ltd. Co. provides its employees with the material conditions (means and equipment) required for goal-oriented and effective work, which it develops and modernises as far as possible. HungaroControl Pte. Ltd. Co. creates a healthy, safe and purposeful working environment for its employees, where it aims to provide space for social life and the individual needs of employees; it provides the conditions for civilised meals, health care, continuous professional training and regeneration.

d) Equal treatment

HungaroControl Pte. Ltd. Co. rejects all forms of direct and indirect discrimination and takes firm action against them. No direct or indirect discrimination against employees is allowed or tolerated. HungaroControl Pte. Ltd. Co. treats all employees equally. HungaroControl Pte. Ltd. Co. has adopted an Equal Opportunities Plan and is acting in full compliance with its provisions. HungaroControl Pte. Ltd. Co. is employing its employees in regular and lawful forms of employment and does not in any way condone unlawful employment, exploitation, forced or child labour. As part of its anti-discrimination approach, HungaroControl Pte. Ltd. Co. has made all its workplaces accessible for people with physical disabilities.

e) Protection of personal data

HungaroControl Pte. Ltd. Co. conducts all its activities and actions related to the personal data of its employees and partners in accordance with the requirement of transparency. The data

protection rules and regulations governing the processing of personal data are set out in the data protection policy of HungaroControl Pte. Ltd. Co. and other effective internal regulations of HungaroControl Pte. Ltd. Co. HungaroControl Pte. Ltd. Co. publishes information on the processing of personal data on its website and, in individual cases, makes it available to data subjects.

- f) Transparent and respectful internal communication, with appropriate protection of business secrets

The day-to-day operations of HungaroControl Pte. Ltd. Co. are ensured by legislation, shareholders' resolutions, premises, guidelines and internal regulations that are continuously maintained and enable the efficient performance of the tasks.

The Company enables all its employees to carry out their duties in the knowledge of all the information necessary for the performance of their duties. Employees have an obligation under their employment contracts to ensure that unauthorised persons do not have access to information or business secrets that are critical to the operation of the Company.

HungaroControl Pte. Ltd. Co. encourages high quality horizontal and vertical internal communication within the organisation, and to this end it strives for credibility, clarity and comprehensiveness in its communication with its employees.

In addition to showing respect for each other, it is also important for the transparency and efficiency of internal operations that the employees of HungaroControl Pte. Ltd. Co. communicate openly and honestly with each other on issues affecting their employment relationship and in the course of their duties.

The Company considers it a fundamental value that in the course of their work, employees should strive to perform the tasks required under their posts of employment as efficiently and effectively as possible. They should also make sure that the professional information they have, relevant to the performance of their tasks, is shared accurately and in a timely manner with those involved in the performance of their tasks, and that they respect, partner and support each other, including in correcting errors.

It is valuable for HungaroControl Pte. Ltd. Co. if its employees respect each other's professional opinions and strive to avoid unnecessary conflicts. HungaroControl Pte. Ltd. Co. does not tolerate any attitude that undermines teamwork and cooperation, non-factual criticism of the work of others based on rivalry or anger, or misleading employees.

2. In the external relations of the Company

- a) Cooperation

In its external relations, HungaroControl Pte. Ltd. Co. strives not only to fully enforce the interests of the organisation, but also to promote the effective operation of its customers and partners. To achieve this, it is essential that employees keep the following in mind when dealing with external stakeholders:

- They should take the initiative to create and improve cooperation.
- They should strive for the most effective solutions possible.
- They should support partners' activities with continuous, correct, accurate and high quality information.

- They should show respect and be objective, helpful, considerate, polite and free from undue influence.
- In credible external communication with various stakeholders, they should take into account the public messages of HungaroControl Pte. Ltd. Co., keeping in mind the positive reputation of HungaroControl Pte. Ltd. Co.
- They should not give an information advantage to certain actors or groups when communicating with the public.

The Company pays special attention to the establishment, maintenance and development of appropriate owner and government relations and communication. HungaroControl Pte. Ltd. Co. cooperates closely with the owner, maintains intensive contact on professional issues, and provides the owner with transparent and up-to-date information on matters concerning HungaroControl Pte. Ltd. Co.

The contractual partners of HungaroControl Pte. Ltd. Co. are selected in accordance with the applicable legislation and internal regulations. HungaroControl Pte. Ltd. Co. expects its contracted partners to familiarise themselves with the principles set out in this Code of Ethics and to comply with them.

In its relations with the authorities, HungaroControl Pte. Ltd. Co. acts in a fair and transparent manner, mutually respecting roles and competences. In order to ensure the success of the Company's activities, the primary aspect of its relations with the authorities is to promote and support the work of the authorities and to cooperate with them. To this end, the relevant divisions of HungaroControl Pte. Ltd. Co. must cooperate closely with the organizational unit of HungaroControl Pte. Ltd. Co. coordinating the regulatory procedure to the best of their ability.

b) Freedom from influence

HungaroControl Pte. Ltd. Co. bases its partner and customer relations on fairness and reliability, and in its operations it focuses on the safety of air navigation services and the public interest related to its tasks, which is also embodied in the form of shareholder interest.

c) Corporate social responsibility

HungaroControl Pte. Ltd. Co., as a highly successful, state-owned company limited by shares and a major player in the Hungarian transport sector, is committed to environmentally conscious operation and corporate social responsibility. In addition to its decisive economic and industrial role, HungaroControl Pte. Ltd. Co. also contributes to value creation and the preservation of social and natural assets with its social responsibility activities.

The Corporate Social Responsibility (CSR) strategy of HungaroControl Pte. Ltd. Co. is characterised by sustainability and innovation; it is primarily focused on long-term programmes, while being sensitive to current environmental and social problems and supporting their local management. Based on the clear vision of HungaroControl Pte. Ltd. Co. contained in its Corporate Social Responsibility Strategy, we may say that the Company has a single, modern CSR concept and approach, the sustainability activities of which focus on supporting science, technology and innovation.

d) Social objectives

HungaroControl Pte. Ltd. Co. – performing its operations in several different locations throughout the country – pays special attention to the people living in its immediate vicinity. It is involved in

the day-to-day life of the municipalities concerned by its activities, helping to solve their problems by establishing a continuous dialogue based on mutual trust. To this end, it provides them with a forum and an opportunity to apply for funding, to improve the living conditions of the local community and to ensure the protection of their living environment. Within the framework of its Corporate Social Responsibility Strategy, HungaroControl Pte. Ltd. Co. directs priority resources to the implementation of programmes managed by actors in the research and development, education, sports, culture and social care sectors.

e) Environmental protection objectives

As part of its CSR activities, the Company strives to develop exemplary and leading practices in the field of environmental protection, including responsibility for the natural and built environment. In its Environmental Protection Policy, HungaroControl Pte. Ltd. Co. has committed itself to protecting the environment, preserving existing environmental values and promoting the sustainable development of aviation.

HungaroControl Pte. Ltd. Co. strives to protect the natural environment in all elements of its value chain. In line with the basic philosophy of our Corporate Social Responsibility Strategy and the European Union's legal framework for air traffic control, HungaroControl Pte. Ltd. Co. strives to improve the quality of its services by developments that not only enhance safety, economic efficiency and minimise delays, but also reduce the ecological footprint of air traffic.

HungaroControl Pte. Ltd. Co. is committed to minimising the potential negative environmental impacts resulting from the smooth, safe and economical management of air traffic.

To achieve the above objectives, HungaroControl Pte. Ltd. Co. operates environmental management and energy management systems that are closely aligned with its operational and development strategy.

III. THE ETHICAL REQUIREMENTS EXPECTED OF EMPLOYEES

It is through the Company's employees and contracted partners that the Company guarantees that its efficient operation is in compliance with the set ethical principles, and therefore the Company attaches particular importance to ensuring that those concerned are aware of the Company's ethical principles in relation to work and out-of-hours conduct and the consequences of breaching the provisions of this Code of Ethics.

III.1. Preventing conflicts of interest, identifying and managing potential conflicts of interest

For the purposes of this Code of Ethics, a **conflict of interest** is defined as any direct or indirect influence of individual activities, personal relationships or interests on the employee's work performance, conduct, including his/her decisions, in the course of performance of his/her job responsibilities, which is contrary to the interests of the Company or its owners.

HungaroControl Pte. Ltd. Co. expects its employees to perform their work and to conduct themselves outside working hours, whether in business or personal relationships, in a manner that does not affect their work performance and conduct in the performance of their job responsibilities, and does not conflict with the interests of the Company or its owner.

A specific subset of conflicts of interest, defined by law or internal regulation, are cases of incompatibility of interest. An incompatibility of interest is a (potential) conflict of interest defined as such by a law or internal regulation. Where internal regulations lay down specific detailed rules

for an incompatibility of interest, the incompatibility of interest must be dealt with in the light of those rules, including the obligation to disclose them.

The Company will cooperate in good faith to manage or eliminate operational and business risks arising from conflicts of interest.

The Company examines the possibility and addresses the effects of conflicts of interest, including incompatibility of interest, both before and during the employment relationship.

To this end, HungaroControl Pte. Ltd. Co. sets out the declaration rules, examines conflicts of interest and takes the necessary preventive or reactive measures (e.g. discharge procedure) to manage the risks, as described in the ITSZ and other internal regulations on the performance of certain tasks related to the establishment, maintenance and termination of employment relationships, as well as other internal regulations on conflicts of interest.

The Company expects its employees, if they are aware that they are involved in a conflict of interest, to inform the Company in the manner set out in the above regulations. A breach of the obligation to make a declaration may constitute a breach of the obligation to work, may constitute a breach of a material obligation and may give rise to legal consequences.

If there is a presumption that other persons are in breach of the ethical requirements set out in this Code of Ethics, the Company will provide both its employees and contracted partners and any other external persons with the opportunity to report the breach using the contact details set out in Chapter IV of this Code of Ethics.

For the purposes of this Code of Ethics, conflicts of interest shall include, but are not limited to, the following:

a) Conflict of interest in relation to **employment by the Company:**

An employment related conflict of interest may arise where

- i. the person employed or intended to be employed by the Company
 - is a political or public figure or a relative of such persons, or;
 - is an employee of any partner who has a contract with the Company, or;
 - is an executive employee/subordinate of the Company who is related to another executive employee/subordinate of the Company by blood (i.e. a relative) or by personal relationship or other relationship, provided that such relationships present a risk of affecting the impartial work performance or decision making of the employee concerned or of resulting in a failure to act independently and objectively or in the acquisition of undue personal advantage, or
- ii. has any other employment/other work-related legal relationship.

When considering whether there is an employment related conflict of interest

- relative: spouse/domestic partner, next of kin (blood relative in the direct line of descent), adopted, step- and foster child, adoptive, step- and foster parent, guardian, brother, spouse/domestic partner of the next of kin, the next of kin and brother of the spouse/domestic partner, the brother's spouse/domestic partner,
- political or public figure: any person who assumes a political or public role, and who is a party in interest to an existing or proposed business or contractual relationship with the Company or is an executive officer of a legal entity that is a party in interest to an existing or proposed business or contractual relationship

with the Company.

When establishing an employment relationship, temporary employment or assignment, the persons exercising the employer's rights are obliged to take into account any information not listed above but available to them which may give rise to an employment related conflict of interest.

Certain cases of employment related conflicts of interest are specifically provided for in the Company's internal regulations as **incompatibility of interest under employment law**, including:

- Organisational By-laws,
- Policy on the exercise of employer's rights, transfer of posts of employment and substitution,
- Organisational Instructions of the Chief Financial Officer on the performance of certain tasks related to the establishment, maintenance and termination of employment

b) Conflict of interest with respect to **the use of the Company's business and official relations, data and information and assets:**

The data, information, business and official relations and contacts of HungaroControl Pte. Ltd. Co. may only be used in the interests of the Company and its owner. The employees of HungaroControl Pte. Ltd. Co. may not use data and information relating to the Company's activities and internal affairs for their own or others' benefit.

Employees are entitled to use Company-provided assets for private purposes only to the extent and in the manner specified in the internal regulation(s) and/or employment contracts.

HungaroControl Pte. Ltd. Co. expects its employees to act with special care in relation to information and data that they obtain in connection with their work or at their workplace, to prevent and preclude any unauthorised and unlawful access both during and after the employment relationship, not only with third parties but also with the Company's employees.

It is a strong expectation of HungaroControl Pte. Ltd. Co. that employees handle information obtained in the course of their work responsibly within their area of responsibility, do not use it in an unauthorised manner and strictly comply with the provisions of the law and internal regulations on classified data and confidentiality.

The rules on confidentiality are set out in the employee's contract of employment, which requires the employee to keep business secrets disclosed to him/her in the course of his/her work. In addition, the employee must not disclose to any unauthorised person any information that he/she has learned in the course of his/her employment and the disclosure of which could be prejudicial to the employer, the entity exercising the ownership rights or any other person. Confidentiality does not extend to the disclosure of data of public interest and to the obligation to provide data and information on data accessible on public interest grounds, as defined by law.

c) Conflict of interest in terms of **business relationships:**

A conflict of interest may arise if the Company and its employee, or the employee's relative, are in business competition with each other for the following reasons:

- i. a business interest held by the employee or a relative of the employee, as defined below; or
- ii. the employee's relative is employed by or holds a position with the Company's contracted partner which has a decisive (dominant) influence on the performance of the contracted partner's services to the Company or on the enforcement of its interests; or
- iii. other employment relationship / other work-related legal relationship of the employee.

For the purposes of this Code, the business interest must be reported

- if the scope of activities of the business association wholly or partly owned by the employee, or the employee's post of employment or the task(s) performed by the employee, affect the scope of tasks of HungaroControl Pte. Ltd. Co., as defined in the Articles of Association, or
- if such business interest may, in any way, affect the performance of the employee's job responsibilities and/or the interests of the Company and its owners; or
- if its notification is expressly required by the Company.

Certain cases of conflict of interest known as **incompatibility of economic interest**, are specifically provided for in the Company's internal regulations listed below:

- Cash Management Policy,
- Procurement and Public Procurement Policy,
- Contracting Policy.

d) Conflict of interest in terms of **accepting gifts:**

A gift is any benefit, irrespective of its value or form, given by an external or internal party to an employee of the Company in connection with his or her employment. Acceptance of a gift creates a conflict of interest if it exceeds the permitted amount or, regardless of the value, if it affects the decision or performance of duties of a Company employee in a way that is unfavourable to the Company.

Employees of HungaroControl Pte. Ltd. Co. may only accept or give gifts or hospitality (accommodation, catering, travel, etc.) from or to business partners if the gift or hospitality concerned complies with applicable legislation, the rules applicable to HungaroControl Pte. Ltd. Co., the requirements laid down by the owner, internal regulations and the provisions of the Code of Ethics.

HungaroControl Pte. Ltd. Co. considers as a gift any monetary or non-monetary benefit, movable property (e.g.: souvenir), real estate, valuable rights and interests, advantage, service, discount, invitation or hospitality that has a monetary value.

For the purposes of this Code of Ethics, a gift given by a professional or business partner of the Company or any third party to an employee of the Company or his/hers relative, or a gift given by an employee of the Company to a professional or business partner of the Company shall be considered to be a gift.

The usual and rational level of gift is acceptable and can be given. This includes, in particular:

- a gift up to a value of HUF 20,000 per occasion (taking into account both the transferor and recipient of the gift),
- or a normal business lunch or other such meal during business trips.

No such gift may be accepted, nor may it be given, which is likely to promote individual interests, reduce the commitment to the Company or, in the case of a gift to a partner, to the company it represents, or influence a decision, in particular:

- a gift above the HUF 20,000 value limit (taking into account both the transferor and recipient of the gift), or
- money, non-cash payment instruments, coupons, gift vouchers, travel vouchers and securities, irrespective of their value.

A gift of more than HUF 20,000 per occasion, or a *material* gift of more than HUF 20,000 from the same donor on several occasions within a business year, may be accepted if the employee has notified the employer of this in the manner specified in the ITSZ and the acceptance has been approved by the Company, or the gift or its consideration has been handed over to the Company by the employee.

e) Conflict of interest in relation to *outside activities*:

Conflict of interest may arise if the legal relationship, social position, or conduct outside working hours of an employee of the Company, which does not otherwise result in a conflict of interest, affects or may affect his or her position or the perception of his or her position at the Company, or as a result of which there is a risk that the legitimate interests or reputation of HungaroControl Pte. Ltd. Co. or its owner may be damaged.

The employee must not engage in any conduct – not even outside working hours – which, in particular by reason of the nature of the employee's post of employment or his or her position in the employer's organisation, is likely to jeopardise directly and effectively the reputation, legitimate economic interests or the objectives of the employment relationship of his or her employer or its owner. This obligation does not limit or exclude the legitimate exercise of the constitutional and employee rights.

While respecting privacy, HungaroControl Pte. Ltd. Co. expects its employees to ensure that their conduct and activities outside working hours do not conflict with their obligations arising from their employment with HungaroControl Pte. Ltd. Co., that their conduct does not damage the reputation of the Company and that their actions comply with the ethical standards set out in the Code of Ethics.

HungaroControl Pte. Ltd. Co. expects its employees to use the Internet and social networking sites in accordance with the provisions of the Company's regulations in force and the values set out in this Code of Ethics, and to be mindful of this also with regard to the information (posts, images, data) they make public about themselves.

The Company expects employees to refrain from posting any information on social networking sites or other forums that could jeopardise the legitimate economic interests or reputation of HungaroControl Pte. Ltd. Co. or its owner. They should also refrain from publishing private opinions, comments or criticisms that are negative or condemning to the Company.

Respecting fundamental constitutional rights, HungaroControl Pte. Ltd. Co. does not prohibit its employees from engaging in political and public activities outside working hours as private individuals, in accordance with the relevant legislation and internal

regulations, while avoiding any conflict of interest or incompatibility of interest as mentioned in this Code of Ethics.

The rules on external communication are set out in the Organisational Instructions on the Rules for External Communication of HungaroControl Pte. Ltd. Co.

f) Conflict of interest in relation to the **Company's customers and business partners:**

It shall be considered as a conflict of interest, if such a circumstance arises in the course of an activity not related to the employee's post of employment, performed in favour of a person or organisation doing business with the Company, or in the course of the provision of a service or the performance of a contract by the Company, which creates or involves a risk of loss of interest on the part of the Company.

g) Conflict of interest in the **internal operation or internal processes of the Company:**

It is the fundamental expectation of HungaroControl Pte. Ltd. Co. that its employees perform their duties in accordance with the law and internal regulations, with the interests and objectives of the Company and the purpose of each work process in mind, and that they assist in good faith in identifying and dealing with any errors or potential hazards that may arise. For all these reasons, it is essential that employees are up to date with the different pieces of legislation that affect their activities and with the general professional rules that apply to their employment and their employment relationship. HungaroControl Pte. Ltd. Co. also expects its employees to take care to initiate a review of the rules where necessary, including as a result of changing circumstances.

HungaroControl Pte. Ltd. Co. believes that it is important for employees to help each other in approaching the tasks and difficulties that arise in the course of their work. The Company expects employees to work proactively, not to wait for problems to arise before seeking solutions, but to take independent initiative to solve them.

The high quality of services provided by HungaroControl Pte. Ltd. Co. is a guarantee that its employees act responsibly and with the highest professional standards in their daily work, keeping in mind the strategic objectives, and perform their tasks reliably and efficiently. The Company believes that it is more important to admit mistakes than to maintain the appearance of impeccability or flawlessness, so that everyone can learn from the mistakes.

The Company expects employees to seek guidance from their manager if they are uncertain about the proper application of a rule, regulation or about any professional matter.

All employees have decision-making latitude and are accountable for their decisions and the work they do.

HungaroControl Pte. Ltd. Co. expects its employees to take responsibility for any wrong or inappropriate decisions or actions (if any) and to do their utmost to correct them in a lawful and professional manner; to accept legitimate criticism as an intention to improve and to respond accordingly.

Certain procedural or other conflicts of interest relating to the Company's internal operations are specifically provided for in the Company's internal regulations listed below:

- Internal Audit Charter,
- Information Security Policy,
- Rules of Procedure of the Just Culture Commission,
- Organisational Instructions of the Director of Technology on the management of access rights,
- Organisational Instructions of the Director of Flight Safety, Quality Management and Internal Control on the investigation of incidents related to the provision of air traffic services and air navigation services by HungaroControl Pte. Ltd. Co.,
- Instructions of the Head of the Human Resources Department on the publication of the Fatigue Management Manual for Air Traffic Controllers,
- Instructions of the Head of the Human Resources Department on the publication of the Fatigue Management Manual for Flight Information and Operational Support Personnel,
- Instructions of the Head of the Human Resources Department on the publication of the Stress Management Manual,
- Instructions of the Head of the ATM Training and Service Management Department on the English and Hungarian language proficiency test for air traffic controllers and flight information officers,
- Organisational Instructions of the Director of Technology on the rules of mobile communications and mobile device management.

III.2. Other employee-related expectations

a) The key role and responsibility of managers

Managers have a key role and responsibility in shaping and developing the organisational culture of the Company. Their behaviour serves as a model for both employees and partners of HungaroControl Pte. Ltd. Co. and their clear attitude towards ethical standards and rules of conduct is a guiding principle.

The attitude of senior managers determines the attitude of middle managers, and the latter has a profound influence on the behaviour of their subordinates.

The Company expects managers to be committed to developing a corporate and, within that, ethical culture, and to lead by example in creating and maintaining a harmonious and cooperative workplace atmosphere that fosters employee engagement, promotes a sense of belonging and fosters an appropriate work ethic aligned with objectives.

Managers are also expected to strive to create a workplace climate that condemns all forms of discrimination and to act confidentially and carefully in dealing with any complaints of discrimination.

Managers are also expected to pay particular attention to proactively managing conflicts of interest and averting their adverse consequences.

HungaroControl Pte. Ltd. Co. does not tolerate any form of abuse of management position, and the Company expects managers to exercise their decision-making powers responsibly and to take responsibility for their own decisions.

Managers are also expected to be consistent, realistic and fair in their work-related actions; to seek objective, constructive and fair appraisals when making their findings, to develop employees and to encourage better performance.

Managers not only give but also receive feedback in the course of their work, giving employees the opportunity for self-evaluation.

Managers have a responsibility to enforce the values set out in the Code of Ethics among those

under their authority.

b) Capacity for development

HungaroControl Pte. Ltd. Co. operates in a constantly changing business and legal environment, therefore it is important that the challenges of this dynamic environment are seen as opportunities for the employees to develop their own professional skills.

HungaroControl Pte. Ltd. Co. expects from the whole organisation, including its employees, that they bring out the best performance in their work, professional and personal preparedness, striving for continuous development and renewal.

HungaroControl Pte. Ltd. Co. believes that the results of research and development and the provision of better solutions are the driving forces behind the achievement of outstanding performance and joint success.

Employees are expected to be open to learning and absorbing new experiences, to follow developments in their field and to apply them in their daily work. They are expected to be proactive in change and be able to innovate themselves, so that change is a real opportunity for themselves and for HungaroControl Pte. Ltd. Co. as a whole.

c) Non-discrimination

HungaroControl Pte. Ltd. Co. expects its employees to respect the requirement of equal treatment and to treat their colleagues with respect and without prejudice.

A basic expectation of all employees is to refrain from even the appearance of discrimination or negative judgement. No direct or indirect discrimination against others shall be permitted, in particular on the grounds of the following – real or perceived – characteristics:

- a) gender,
- b) racial origin,
- c) skin colour,
- d) nationality,
- e) nationality,
- f) mother tongue,
- g) disability,
- h) state of health,
- i) religious or ideological conviction,
- j) political or other opinion,
- k) marital status,
- l) motherhood (pregnancy) or fatherhood,
- m) sexual orientation,
- n) sexual identity,
- o) age,
- p) social origin/background,
- q) financial status,
- r) part-time or fixed-term nature of the employment relationship or other work-related legal relationship,
- s) membership in an organisation representing employees' interests,
- t) any other circumstance, characteristic feature or attribute.

d) Environmentally conscious working

HungaroControl Pte. Ltd. Co. places emphasis on the protection of the natural environment, and therefore expects its employees to support the Company's environmental objectives, to be

environmentally conscious in their daily work, and to be mindful of environmental aspects and to minimise their ecological footprint within reasonable limits. Environmental consciousness and awareness must be understood in a broad sense, from the implementation of air navigation services, through the planning and execution of projects and procurements, to the smallest details of day-to-day operations, taking into account environmental considerations and avoiding wasteful use of energy and materials.

IV. BREACH OF ETHICAL STANDARDS EXPECTED OF EMPLOYEES

HungaroControl Pte. Ltd. Co. encourages its employees and partners to report to the Company any violations of the rules or standards set out in this Code of Ethics. The Company guarantees that a bona fide whistleblower shall not suffer any adverse legal consequences in connection with the notification made by them. The Company will investigate all notifications and, if the identity of the notifier is known to the Company, provide feedback on the outcome of the investigation.

Notifications can be made using one of the following options:

- a) in writing through the notifier's immediate superior, being in a rank of at least head of department, or – if there is no such superior – director,
- b) in writing through a designated HERO employee,
- c) directly to COMP or by email to integritas@hungarocontrol.hu, and
- d) through the whistleblowing system (once it has been put into operation) operated by an external service provider that provides whistleblowing protection.

In cases (a) and (b), the superior or HERO employee will immediately forward the notification to COMP.

COMP operates a whistleblowing system for the Company's employees and any other external persons.

Information on the operation of the whistleblowing system, the notification procedure and the processing of personal data is available on the Company's website.

In the event of a breach of the standards set out in the Code of Ethics, the Company shall act in accordance with the provisions of the ITSZ and may apply the sanctions set out therein.