

**KELER Zrt.**

**Policy on the prevention and reporting of incidents, abuses  
and violations of organisational integrity**

**(Abstract)**

**Effective Date: 5 February 2024.**

## 1. General section

### 1.1. Introductory provisions

The purpose of the Code is to minimize the possibility of various abuses and violations of law, and to regulate the conduct to be avoided by KELER employees and persons engaged by KELER, as well as the detection of possible abuses, violations of law, irregularities, incidents that compromise integrity and the ensuing legal consequences.

In developing this Policy, KELER has placed particular emphasis on managing the integrity risks associated with KELER's operations. In its regulatory approach, KELER has taken into account the low risk exposure associated with a limited institutional clients that are primarily subject to the requirements of prudent operation.

### 1.2. Scope and Persons addressed

Scope: This Policy covers the detection and management of all internal and external fraud specified in internal regulations or laws governing activities of KELER. This Policy does not regulate insider trading, market manipulation, fraud and abuse committed using information technology.

Persons addressed: It applies to person in executive position at KELER, all employees and other persons engaged by KELER, including outsourced workers, external consultants, suppliers and their employees who perform their duties under a contract with KELER, and those who have a legitimate interest in making a report of abuse or remedying the violation or ending the conduct specified in the report.

### 1.3. References

#### Related legislation:

- Act LVII of 1996 on the Prohibition of Unfair Market Behaviour and Restriction of Competition (Act on Unfair Competition)
- Act C of 2012 on the Criminal Code (Criminal Code)
- Act CXX of 2001 on the Capital Market (Tpt.)
- EU Directive 2019/1937 (23 October 2019) on persons reporting violations of EU law
- Act XXV of 2023 on Complaints, Public Interest Reports and the Rules for Reporting Abuses (Complaints Act)
- Act CCXXXVII of 2013 on Credit Institutions and Financial Undertakings (Hpt.)
- Act CXXXVIII of 2007 on Investment Firms and Commodity Exchange Service Providers and the Rules of the Activities Performed by them (Act CXXXVIII of 2007 on Investment Firms and Commodity Exchange Service Providers and the Rules of the Activities Performed by them)
- Act LXXX of 2003 on Legal Aid (Legal Aid Act)
- Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement within the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (CSDR)
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Regulation (EC) No 95/46/EC (GDPR)

#### 1.4. Definitions and abbreviations

**Channel for reporting incidents, abuses and violations of organisational integrity** (hereinafter: anonymous reporting platform)

An anonymous channel for reporting suspected incidents, abuse and other violations of organisational integrity.

**Reporting:** Verbal or written communication to report incidents, abuses and other violations of organisational integrity or suspected violations.

**Person concerned:** the natural or legal person to whom the report relates, containing allegations.

**Internal Abuse Reporting System:** A framework operated by KELER Compliance to report, manage, and investigate suspected incidents, misconduct, and other violations of organizational integrity.

**Compliance:** Compliance Department of KELER

**Integrity:** the proper functioning of KELER in accordance with the objectives, values and principles set by the KELER's executive management.

**Integrity risk:** the possibility of abuse, irregularity or other events that may violate or compromise the objectives, values, principles or principles of KELER.

**Violations:** For the purposes of this Policy, a violation is an intentional or, if it is punishable by law or regulation, negligent act or omission by one or more employees or officers of KELER or a third party, which constitutes a violation of an internal policy or law, in particular of the provisions of this Policy.

**Corruption risk:** a risk to integrity that represents the possibility of an act of corruption occurring.

**Close relative:** spouse, domestic partner, relative in the direct line, adopted, step- and foster child, adoptive, step- and foster parent and sibling;

**Incident violating organisational integrity:** any incident that violatest the rules applicable to KELER and compromises the organisational goals, values and principles set by KELER's executive management to the extent specified by the law.

**Abuse:** For the purposes of this Policy, abuse is defined as any intentional act committed by one or more employees or officers of KELER or by a third party, in particular but not limited to, fraud, in order to obtain an unlawful advantage or to avoid a disadvantage. Abuse does not necessarily constitute a violations of any internal regulation (such as the Code of Ethics) or laws, in particular the laws referred to in this Policy.

## 2. Types of violations and abuses

Incidents, abuses, violations of organisational integrity are any acts or conduct that violate or presumably violate the laws, general moral and ethical standards applicable to KELER, in particular the prohibited conduct set out in the Policy and other laws.

### Means of preventing abuses and violations

To commit abuses or violations, the following must all be present:

- 1) possibility of commission of such act (causes: human, organisational, systemic or process failures.)
- 2) an incentive or pressure to commit the act(cause: an interest, which may be either a company interest or a private interest.)
- 3) a reason specified by offenders to justify the offence to themselves or to the environment (by justifying the offence, offenders "acquits " themself from liability.)

In order to prevent abuses and violations, KELER endeavours to prevent the emergence of the the conditions and to eliminate or counteract situations that have already arisen.

The Compliance Department of KELER provides training on the rules related to the prevention of internal abuses, violations and fraud in the framework of compliance training for new employees.

KELER uses various means and methods of internal control and (information) security in order to prevent any abuse of violation.

The Anti-Fraud Policy No. 1-01 of KELER Group's summarises the principles of the KELER Group's anti-fraud activities, sets out the main purposes of these activities, which together define, promote and support the proper, legal, safe and prudent operation of KELER Group.

### **3. Handling the reporting of incidents, abuses and violations of organisational integrity**

#### **3.1. System for reporting incidents, abuses and violations of organisational integrity**

KELER is committed to investigating allegations of abuses and violations and to addressing the integrity and corruption risks associated with KELER's operations, and to taking the necessary decisions and actions once the allegations are confirmed or substantiated.

##### **3.1.1. Reporting**

In KELER, the Compliance area operates the Internal Abuse Reporting Interface to report violations of laws, internal regulations and the rules of conduct set out in the Code of Conduct and Business Ethics, in order to ensure its lawful and prudent operation.

##### **3.1.2. Reporting person**

They can report it in the Internal Abuse Reporting System:

- executive officers of KELER,
- the owners of KELER,
- employees of KELER,
- former workers,
- job applicants for KELER positions,
- contractors, subcontractors, suppliers (including sole proprietors and sole proprietorships) and persons under their supervision and control who have a contractual relationship with KELER and who are applying to enter into a contractual relationship with KELER,
- trainees and volunteers working at KELER,
- the person for whom the procedure for the establishment of a legal relationship or contract listed in the previous points has been initiated or the legal relationship or contractual relationship has been terminated.

The reporting person may report in person (based on a prior appointment), in writing by e-mail, or by telephone, or through the anonymous reporting interface for reporting abuses and violations of organisational integrity.

##### **3.1.3. Verbal report**

#### **Means of verbal report**

Place: 1074 Budapest Rákóczi út 70-72.

Phone No. +36 (1) 483-6310 / KELER Compliance Department

Compliance in the case of an oral report made in person or by telephone

- draws the reporting person's attention to the consequences of reporting in bad faith,
- inform the reporting person of the procedural rules governing the investigation,
- informs the reporting person of the provisions on the protection of personal data and that the identity of the reporting person will be treated confidentially by KELER at all stages of the investigation, if the data necessary to establish this are provided.

The Compliance Department will then draw up a written report, including, where possible, a reference to the privacy notice, in full and accurate detail, and, subject to the possibility of verification, correction and acceptance by signature, will provide a copy to the reporting person.

- provide a paper copy if you have made a verbal report,
- in the case of a telephone report, to the e-mail or postal address provided by the reporting person within seven calendar days of the report.

The Compliance Department will retain a written reports in a durable and retrievable form. The Privacy Notice is available on the KELER website at: <https://www.keler.hu/Privacy Policy>

#### 3.1.4. Written report

Written report can be submitted by post or e-mail to:

- postal address: 1074 Budapest, Rákóczi út 70-72.
- e-mail address: KelerCompliance@keler.hu

The Compliance Department will send a confirmation of receipt of the written report to the reporting person by e-mail or post within seven calendar days of receipt of the written report. The acknowledgement will include information on the procedural rules for the investigation of the report and on the data handling rules.

#### 3.1.5. Anonymous reporting interface for reporting incidents, abuses, violations of organisational integrity

In addition to the above, KELER also operates an anonymous communication channel, a so-called whistleblowing channel for reporting incidents, abuses and violations of organisational integrity. The primary purpose of the channel is to enable KELER employees and contractors to report suspected incidents, abuses and other violations of integrity to KELER Compliance anonymously and untraceably through the interface.

The investigation and the processing of personal data shall be carried out in accordance with Section 3.1.4, taking into account that the investigation of an anonymous report may be waived if the report has the same content as a previous report that has already been investigated. The decision not to investigate is taken by the Compliance Officer. The Compliance Department investigates and handles all reports received.

### 3.2. Processing of personal data relating to the report

Within the framework of the internal whistleblowing system, KELER processes personal data of the reporting person and of the person whose conduct or omission gave rise to the reporting incidents or who may have information about the facts contained in the report, which are indispensable for the

investigation, including sensitive data and personal data relating to criminal matters, solely for the purpose of investigating the suspected act and remedying or ending the conduct, and, if necessary, only to an external body involved in the investigation of the procedure initiated on the basis of the report, if that body is entitled to process the data by law or if the reporting person has consented to the transfer of his/her data.

If it has become apparent that the reporting person has, in bad faith, provided false data or information and

(a) where there are indications that a criminal offence or irregularity has been committed, the personal data must be handed over to the authority or person responsible for the proceeding,  
(b) there are reasonable grounds for believing that he or she has caused unlawful damage or other legal harm to another person, his or her personal data must be disclosed to the body or person entitled to initiate or conduct the proceedings, at the request of that person.

Any personal data processed within the framework of the reporting system which are not personal data strictly necessary for the investigation of the suspected action will be deleted immediately. By making a report and providing any personal data included in the report, the reporting person gives his/her consent to the processing of his/her personal data.

Personal data of the reporting person shall not be disclosed without his/her consent.

If the report concerns a natural person, the personal data of the reporting person may not be disclosed to the person requesting the information in the exercise of the right of access and information of that natural person under the provisions on the protection of personal data.

The personal data of the reporting person who discloses his/her identity and of the person concerned by the report may not be disclosed to any other person than the departments and bodies involved in the investigation of the report.

### **3.3. Investigating reports**

The procedure for the investigation of reports is set out in the Compliance Policy of KELER.

If, based on the investigation, further steps or measures are necessary that are not employment related and not performed by authorities, the Ethics Committee will decide on them. The procedure of the Ethics Committee is set out in the Policy No. 4-55 A KELER Zrt. titled Code of Conduct and Business Ethics.

If, on the basis of the investigation, it is necessary to take steps or measures related to employment or affecting the contractual relationship, but it is not necessary to initiate an official proceeding, the CEO of KELER shall decide on them in accordance with Section 3.7.

If further steps or measures are necessary on the basis of the investigation, they will be taken in accordance with Section 3.7.

Only the CEO, the Head of Internal Audit and the Compliance Department have access to information received through the channel for reporting incidents, abuses and violations of organisational integrity.

This ensures that all matters (including compliance related reports) are properly investigated. If a report is received in the Compliance Department, it will be investigated by Internal Audit Department in view of the conflict of interest rules.

### **3.4. Legal assistance**

The reporting person is entitled to the assistance provided for in Act LXXX of 2003 on Legal Aid under the conditions set out therein.

### 3.5. Protection of the bona fide reporting person

KELER guarantees that a bona fide reporting person will not be discriminated against, will protect a bona fide employee or contractor from any retaliation, discrimination or other unfair treatment, or any adverse legal consequences associated with the use of a channel to report incidents, abuses or violations of organizational integrity.

In order to facilitate the protection of the reporting person, the investigation of the report will be carried out only by authorised compliance monitoring and security functions, which will have access to and confidentiality of the reporting person's data and the data of the persons allegedly responsible for the violation, to the extent necessary and without restriction.

#### 3.5.1. Prohibition of discriminatory measures

It is unlawful and prohibited to take any action that is detrimental to the reporting person,

- which has taken place because the report was lawfully made and
- which is carried out in connection with the legal relationship of the reporting person under Section 3.1.2, even if the adverse action would otherwise be lawful.

It is also unlawful and prohibited to take any adverse measure which, because of the lawful making of the report

- an entity owned by the reporting person, or
- ordered against a person who is in an employment relationship or other contractual relationship with the reporting person, even if the adverse action would otherwise be lawful.

In particular, it is considered to be an adverse action:

- suspension, collective redundancies, dismissal or equivalent measures,
- a moving the reporting person to a lower position or refuse to promote to a higher one,
- transfer of job duties, change of place of work, reduction of pay, change of working hours,
- refusal to train,
- negative performance appraisals or job references,
- the application of any adverse legal consequence under the law governing the employment, in particular disciplinary measures, reprimands, financial sanctions,
- coercion, intimidation, harassment or ostracism,
- discrimination, unfavourable or unfair treatment,
- failure to convert a fixed-term employment relationship into an employment relationship of indefinite duration, if the employee had a reasonable expectation that his employment would be converted into a fixed term employment,
- failure to renew or early termination of a fixed-term employment contract, damage, which includes damage to a person's reputation or financial loss, including loss of business opportunity and loss of income,
- a measure as a result of which it is reasonable to presume that the person concerned will not be able to take up future employment in the sector in which he or she is employed,
- the requirement to undergo a medical fitness test,
- early termination or cancellation of a contract for goods or services; and
- the withdrawal of the authorisation.

During the administrative or judicial proceedings relating to the adverse action, if the reporting person proves that the report was lawful, the following information is available.

(a) the adverse action must be presumed to have been taken as a result of the lawful making of the report; and

b) the person who took the adverse action bears the burden of proving that the adverse action was taken for a legitimate reason and not because the report was lawfully made.

### 3.6. General principles, legal consequences, reporting obligations

KELER has a **zero-tolerance** policy towards incidents, abuses, violations and acts of corruption that compromise integrity.

KELER's employees and contractual partners are obliged to report any abuse, violations of the law, or suspected violations of organisational integrity in the course of their activities.

If the abuse or violation may fall under the category of a infraction or a crime, KELER will immediately report it.

If the abuse or violation may constitute a violation of an obligation based on other law, in particular laws related to this Policy, KELER shall immediately report it to the competent authority.

The Compliance Department shall be responsible for reporting abuses and violations to the authorities, filing of possible charges and reporting to the relevant (market) supervisor, with the involvement of the Legal Department.

In other respects, the CEO of KELER is entitled to decide on the application of employment law sanctions against the employee concerned and, in the case of contractor(s) and partners, on the application of the legal consequences provided for in the governing contract.

If the CEO of KELER or a member of the Board of Directors is the perpetrator of the alleged abuse or violation, the Board of Directors is entitled to decide on the legal consequences of the employment contract, and the person concerned may be excluded from the decision-making process.

If the member of the Supervisory Board is the perpetrator of the alleged abuse or violation, the Supervisory Board is entitled to decide on the legal consequences of the legal relationship, and the member concerned may be excluded from the decision-making process.

KELER expects its employees and partners to familiarise themselves with and comply with the provisions of this Policy. By agreeing to comply with this Code, KELER's employees help to maintain their employer's reputation in the marketplace, to operate effectively and to successfully meet its service delivery obligations.

The Compliance Department shall ensure that, after the effective date of this Policy or its amendments, KELER's employees and persons engaged by KELER are familiar with its contents. To this end, the Compliance Department shall also ensure that the Policy is published on the website.

As part of the training, mandatory e-learning training is provided to all new entrants in the classroom and to employees on a regular basis regarding the rights and obligations described and expected in this Policy, as well as on the use and operation of the system.