



INA GROUP CODE OF ETHICS

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Dear Colleagues and Business Partners,

INA Group builds its business success, good reputation, organizational culture, cooperation and values by promoting ethical business operations and the ethical conduct of all stakeholders, both inside and outside INA Group companies.

Thus our position in relation to the necessity to respect fundamental human rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and accountability is clearly expressed in and promoted by INA Group's Code of Ethics.

To highlight the importance of compliance with the rules of ethical conduct, we want to ensure that INA Group's Code of Ethics is available to all employees at all times. The Code was prepared in form of a brochure for this purpose and in terms of content it is based on a document adopted in December 2012. In this way, we continue promoting the ethical principles and strengthening awareness of the values on which INA Group's operations are based.

INA Group's Code of Ethics was modified in relation to the first version published in 2010 and it highlights in particular the responsibility of the managements of INA Group companies which promote the desired corporate values of our Group with their work, decision-making and personal ethical conduct. In their work they also invest all necessary efforts to familiarize all stakeholders with the content of the Code, to support their colleagues who contact them with questions in relation to Code provisions or who report Code breaches in good faith.

The Code also defines in more detail provisions regarding the receipt of gifts or other benefits, and provisions were aligned with the requirements of the Capital Market Act in the Code chapters "Intellectual Property and Other Protected Information" and "Unlawful Handling of Inside Information and Insider Trading" and an ethics officer was introduced in all INA Group companies with more than 20 employees, including an officer for INA, d.d. who offers support to the work of INA Group's Ethics Council.

The Code provides an overview of conduct in business activities, particularly in regard to the approach to work, colleagues, business partners and the public. However, it does not elaborate

on all aspects of ethical conduct, nor does it provide guidance on conduct for every possible situation, but its content provides an overview of desirable corporate values we are all required to promote. The document was designed in a way to also serve as guidance when addressing concerns in relation to compliance with the ethical rules it prescribes.

Compliance with ethical rules by accepting the imperatives of moral responsibility of every individual in business operations is crucial for maintaining the company's reputation to ensure successful cooperation with business partners and long-term sustainable operations with an emphasis on the company's aim to effectively respond to challenges in a competitive industrial environment.

In their business operations, INA Group companies are accountable to their stakeholders, therefore we expect both employees and business partners to comply with the Code rules by providing a positive personal example in day-to-day business operations.

Conduct contrary to the Code rules which may significantly jeopardize the reputation of INA Group companies and undermine public trust is undesirable and unacceptable. Therefore it is important to highlight the intention of sanctioning all cases of non-compliance with the rules established by the Code as well as the consequences for all individuals, regardless of their position.

5 It is our joint interest and objective to preserve and strengthen the value of ethical conduct during the performance of business processes and cooperation with our stakeholders as well as the protection of the fundamental values established by this Code.

We all have the opportunity and are invited to contribute to strengthening our values and positioning ourselves as a leader in the promotion of ethical business principles by following the rules established by this Code.

Zoltán Áldott,
President of the Management Board of INA



INA GROUP CODE OF ETHICS

1 OBJECTIVE OF INA GROUP'S CODE OF ETHICS

INA Group's Code of Ethics (hereinafter: Code) was drawn up and passed to provide all internal and external stakeholders (hereinafter: stakeholders) with an overview of the ethical norms which INA, d.d. and all companies in which INA, d.d. holds a majority share, majority voting rights or a direct or indirect controlling influence (hereinafter: INA Group companies) consider to be essential to their successful operations, both within and outside INA Group companies. The Code is based on respect for fundamental human rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and responsibility.

INA Group companies are aimed at regulating the corporate responsibility for all of its stakeholders. INA Group companies expect stakeholders to live up to and act in compliance with the provisions of the Code, to assist in identification and management of ethical issues and to support the process of reporting breaches of ethical compliance.

In terms of the provisions of this Code, the terms employee and grievance submitter were used exclusively in a generic sense and refer to both male and female individuals.

2 CODE OF ETHICS

The Code describes the ethical norms adopted by INA Group companies which apply in the course of their business operations to all stakeholders.

The Code presents the ethical norms to be followed, it draws attention to potential breaches of the Code, it provides guidance to help identify and manage ethical issues, and it explains how to report unethical conduct.

Some sections of the Code and the topics addressed therein are of greater relevance to certain business segments, functions and organizational units than to others. It should, however, be emphasized that any breach of ethical norms by a single person can damage the hard-earned reputation of INA Group companies and compromise public trust, hence all stakeholders are expected to be aware of their obligations and to act in compliance with the Code. The Code was adopted to promote an organizational culture and cooperation which encourage ethical conduct both within and outside INA Group companies.

In connection with the Code, the following should also be emphasized:

- The Code does not foresee or offer guidance on every possible situation, nor does it cover all topics in detail. Should stakeholders have any doubts on how to assess a given situation, they should seek practical instructions. The manner in which guidance is sought is described in chapter 6 of the Code;
- Laws and/or other regulations applicable to INA Group companies (hereinafter: “rules”) also govern and establish requirements in relation to certain topics established by

the Code; accordingly it is important and required that stakeholders are aware of and act in compliance with this rules;

- Merely reading this Code will not substitute for acting in compliance with the rules;
- The Code does not necessarily contain all norms that apply to any specific type of conduct. Should the law permit that an issue is regulated differently and should the Code regulate an issue differently, the provisions of the Code shall apply. An exception from above Code application, especially if the Code governs the issue in question more restrictively than the law, may only be the application of the most favorable rules for an employee pursuant to peremptory regulations. In the event of any doubts on how to regulate certain acts due to a differing approach in the Code and rules, guidance should be sought prior to making any decisions or taking action, as described in chapter 6 of the Code.

3 SCOPE OF APPLICATION

The Code obligates all employees and other natural persons who are authorized as Management Board members, executive directors or in any other capacity according to special laws to conduct business individually and independently or jointly and as a group and who are employed and/or work in INA Group companies (hereinafter: employees of INA Group companies) in which the Code was passed, where it is in effect and is applicable as one of the labor relations bylaws.

In companies which are owned but not controlled by INA, d.d., reasonable efforts must be undertaken for these companies to conscientiously apply INA Group’s ethical norms.

All other stakeholders are also expected to act in accordance with the norms set forth in the Code.

The Code primarily regulates the types of conduct which occur in the course of conducting business operations and in terms of attitude towards work, colleagues and business partners and the public, but all persons obligated by the Code are expected to act in compliance with and apply Code regulations and to avoid unacceptable conduct in contravention of the Code.

Inside INA Group companies, managers supervise and manage the work of other employees and they have particular responsibility for developing and maintaining the culture of ethical operations by:

- setting a personal example through their own ethical conduct;
- undertaking everything to ensure the Code is known to all stakeholders it obligates and for its requirements to be thoroughly clarified and correctly understood;
- continuously monitoring compliance with ethical principles amongst internal stakeholders;
- ensuring compliance with the rules set forth in the Code and other INA Group bylaws ;
- supporting employees who raise issues related to the provisions of the Code or who report Code breaches in good faith. Managers are obligated to ensure that such employees won't be put in an unfavorable position and that their employment relationship rights won't be violated as a result of raising issues related to Code provisions or if they report Code breaches in good faith;
- taking into account and acting in compliance with the norms of ethical conduct when evaluating employees;
- immediately reporting ethical compliance issues which require ethical investigation but which are beyond their scope of com

petence or authority to the Ethics Council in conformity with the order of ethical procedures, without transferring personal data.

The Code is structured so that it reviews the most important ethical norms of stakeholders of INA Group companies.

The Code addresses the following stakeholder groups and ethical issues:

- customers;
- shareholders (transparency of financial statements and accounting; company property; intellectual property and other protected information; insider trading; digital systems);
- employees (prohibition of discrimination; protection of dignity; protection of privacy and confidential information; child and forced labour);
- health, safety and environmental protection;
- government affairs and involvement in politics;
- local communities and civil society;
- suppliers and business partners;
- conflict of interest;
- competitors of INA Group companies.

Stakeholder inputs have been taken into account in defining the ethical norms set forth in the Code.

4 RESPONSIBILITIES

The Management Board of INA, d.d. is responsible for the adoption, revision and withdrawal of INA Group's Code of Ethics. The executive director of Corporate Centre BF is responsible for developing and initiating amendments to INA Group's Code of Ethics.

5 ORGANIZATIONAL COMMITMENTS, EXPECTATIONS AND RULES OF CONDUCT

5.1 Customers

An honest and proper approach towards customers (internal and external) is the only basis for successful and long-term business relationships.

To this end, employees of INA Group companies must:

- be attentive to customer needs, continuously monitor, assess and advance products, services, technologies and business processes to deliver quality, safety and innovation at every development, production and distribution stage;
- adhere to the highest conduct standards in communication with customers in written or verbal form;
- provide timely, adequate, accurate and understandable information on products and services;
- provide true and correct information in all communications. Descriptive and visual elements in means of communication or their combined effect may not be misleading and may not be contrary to local community norms or standards;
- treat customer-related information as confidential;
- not distribute gifts of material value to customers with the aim of causing INA Group companies to be unfairly selected, with the exception of formally organized and publicly announced competition prizes.

Harming customers and putting their safety at risk are regarded as extremely serious breaches of ethical norms.

5.2 Shareholders

Persons responsible in INA Group companies are required to protect shareholder investments and to provide long-term returns comparable to those of other leading companies in the industry.

5.2.1 Transparency of Financial Information and Accounting

INA Group companies provide full and transparent information to all stakeholders and are atten-

question

I work as a petrol station salesman. Regular customers have asked me several times whether they could pay later for fuel, i.e. as soon as possible. Given that I live in a small town, I personally know most residents who regularly get fuel at our petrol station and I am sure that all of them would settle any debts for fuel. Would it be wrong if I allowed customers to pay later and keep record of it in a notebook?

Above scenario constitutes a tax offense, a violation of the General Tax Act and it is against internal bylaws of INA, d.d. according to which a receipt must be issued to all customers immediately after a transaction (purchase). Above described action on the part of a salesman is considered a serious breach of work obligations.

question

I am going on a trip abroad this weekend, when flight tickets are cheaper. If I take my wife with me, the total price of the two discounted tickets would be the same as the price of a single regular ticket. I would also like to ask the hotel to adjust the bill as if only one person used the room. At the end of the day, the Company will not suffer any loss, right?

By doing this, you would manipulate the accounting process and violate the rules of fair cost reimbursement, which is strictly prohibited. Moreover, you would ask one of our partners to issue a false invoice, thus damaging the reputation of the Company.

answer

tive to their concerns. They strictly comply with applicable capital market rules and accurately report on activities in their financial statements.

To this end, employees of INA Group companies:

- must ensure that all carried-out transactions were validly authorized beforehand, that they are accurately and fully recorded and that no undisclosed or unrecorded transactions or assets are entered into or maintained in the financial accounting system;
- must fully co-operate with internal and external auditors of INA Group companies and must provide them with accurate information and, upon request, grant them access to documents relevant to their work;
- may not deliberately make false or misleading entries into a report, record or claim;
- may not falsify any records, be it financial or non-financial;
- may not attempt to influence others to do anything which could compromise the truthfulness of the financial records or statements of INA Group companies.

5.2.2 Company Property

Employees of INA Group companies:

- are personally held responsible for ensuring the integrity as well as the expedient and economical use of the property of the INA Group company;
- may not use assets or facilities of INA Group companies for private purposes, except in cases where explicitly authorized to do so by a competent manager exercising employer rights, under applicable rules. Portable or home business equipment entrusted to an employee (e.g. laptops and mobile phones) remain the property of the INA Group company, thus employees must use them with due care;
- may not use their work time for personal activities.

5.2.3 Intellectual Property and Other Protected Information

At INA Group companies, valuable innovation proposals (technical improvements, business rationalization, useful ideas, industrial designs), confidential ideas, projects, strategies, inventions, software solutions and other copyrights and other types of business information - "intellectual property" - are regularly created or developed which constitute the property of an INA Group company which must be protected. Given that this information is the product of the efforts of employees of INA Group companies, regulations permit in specific cases that such information is protected as intellectual property.

Employees of INA Group companies may not:

- disclose or use at their place of work any confidential information owned by prior employers or any other third parties;
- download any unlicensed software to any INA Group company computer;
- accept or use anyone else's confidential information except after specific approval by the Legal Sector of INA, d.d.;
- use materials protected by third-party copyrights, trademarks or seals (e.g. photographs, portions of audio, video or voice recordings downloaded from the internet or other sources) in materials being produced, without special permission by copyright owners;
- use without permission a valid patent or other form of intellectual property known to be owned by a third party;
- use information which is considered a business or professional secret or privileged or potentially privileged information in contravention of the Regulation on Information Security and the Regulation on Inside Information Relating to INA, d.d. and Financial Instruments of INA, d.d. In the event that such information is required by third parties to meet obligations towards an INA Group company, such parties will be obligated to sign a confidentiality statement or agreement as prescribed by aforementioned regulations;
- use without authorization the intellectual property owned by an INA Group company.

INA Group companies are the owner of intellectual property employees created:

- at work;
- in relation to work;
- in relation to the company's activities;
- during work performed at the request or by order of the company;
- on the basis of a contract concluded between the company and the employee.

INA Group companies have the exclusive right to use within the framework of their regular activities copyrights created in an employment relationship.

Purchased intellectual property becomes the property of INA Group companies and may not be considered private/personal property.

question

For my work I need to use software I received from a friend and copied onto a USB stick. The company does not have this software. I have only installed it on my own PC and nobody has had any problems with it so far.

It is mandatory that all employees of INA Group companies use only licensed software on computers owned by INA Group. You must therefore immediately remove this programme from your computer. If it is genuinely indispensable to your work, you should contact your manager and apply for the procurement of a copyrighted version of it.

answer

question

I am an INA Group employee, but I also want to help my wife's business. I need to conduct business negotiations as a representative of her company. Is this compatible with my INA Group responsibilities?

It may not be. You should obtain prior written approval from the relevant manager exercising employer's rights who will decide whether any conflict of interest exists.

answer

Documents and materials (including computer software) may be copied and distributed if they are not subject to copyright protection or if a special permission was granted to do so.

Information on the activities of INA Group companies shall be provided to suppliers and business partners, public authorities and the public when an obligation is given pursuant to regulations, internal bylaws of INA, d.d., capital market regulations, agreements, good business practices or justified public interest.

Only persons authorized for the relevant reporting may reply to queries by the press, media, investors or public and all interested parties (from customers to local communities and civil society).

Persons considered pursuant to capital market regulations and rules and internal documents of INA Group companies to dispose of inside information pertaining to INA, d.d. and the financial instruments of INA, d.d. may only disclose inside information if and in the manner authorized to do so by the law or internal bylaws of INA, d.d.

5.2.4 Unlawful Handling of Inside information and Insider Trading

The term "insider trading" refers to the unlawful use of inside information for material gain. The term "unlawful handling of inside information" refers to the use of inside information or handling inside information in contravention of regulations pertaining to the capital market and internal bylaws of INA, d.d. in regard to inside information. Inside information is information of a precise nature which is not publicly available and which pertains directly or indirectly to INA, d.d. as the issuer of financial instruments or one or more financial instruments of INA, d.d. which would, if publicly available, likely have a significant impact on the price of these financial instruments or the price of relative derivative financial instruments. The probability of a significant impact is given if a reasonable investor would likely take into account such information as part of the basis for making investment decisions.

Insider trading and the unlawful handling of inside information is prohibited to all employees and officials of INA Group. For this purpose, full compliance with applicable laws and internal

bylaws of INA, d.d. governing inside information is required, and all employees and officials of INA Group in particular:

- may not buy or sell stocks or shares of INA, d.d. while in possession of inside information;
- may not disclose inside information to anyone outside INA, d.d. in contravention of the provisions of internal bylaws of INA, d.d. governing inside information;
- must be cautious, even with other employees of INA Group companies only to disclose inside information to colleagues based on permission to do so and when necessary to perform business tasks and activities;
- must protect inside information from accidental disclosure.

5.2.5 Digital Systems

Computer hardware and software and all information on digital systems in INA Group companies, as well as any information about INA Group companies on a private or other digital system not part of an INA Group company are considered the property of the INA Group company.

Employees of INA Group companies:

- must be aware of the IT policy of the INA Group companies in relation to internet usage;
- may not use the electronic communication systems of INA Group companies to transmit data without authorization;
- may not deliberately access, store, send or publish pornographic images, text or movies or video recordings; any materials which promote violence, hatred, terrorism or intolerance of others; any material which is harassing, obscene or abusive. Should such inappropriate material be received, e.g. via e-mail, it must be deleted immediately.

Within the bounds of privacy and data protection laws, INA Group companies reserve the right to access and monitor company computers and data stored therein for the purpose of maintenance or to meet business or legal requirements.

The mismanagement or unsatisfactory management of any kind of INA Group company property is regarded as an extremely serious breach of ethical norms and to be against shareholder interests.

question

During the course of my work, I have learned that an INA Group company plans to give a major new assignment to an IT company listed at the stock exchange. I feel that buying some shares in this company would be a reasonably sound investment, because once the agreement is made public, the share price will inevitably go up.

What you are thinking of doing is contrary to the provisions laid down in the Code of Ethics which refer to the unlawful handling of inside information and insider trading. It would constitute the illegal use of insider information for material gain purposes.

answer

question

I want to hire a new employee
I can rely on in the long run.

Our business interests would
justify choosing male candidates
over young women who might
become mothers in the near
future. Is this correct?

No, this would constitute
discrimination based on
gender. The Code of Ethics
strictly prohibits all kinds of
discrimination.

answer

5.3 Employees

INA Group companies are committed to providing a work environment of mutual trust in which all employees of INA Group companies are treated with dignity and respect. INA Group companies respect the religious freedom of employees of INA Group companies and their right to assembly, their right to rest, free time and regular paid leaves. Particular attention is paid to the personal and professional development of employees. INA Group companies are committed to implementing fair policies in relation to employment and adequate remuneration for completed work in accordance with valid rules. Redundancies are handled in a humane manner, and assistance is rendered to former employees, wherever possible.

5.3.1 Prohibition of Discrimination

INA Group companies are committed to prohibiting and preventing discrimination. The employees of INA Group companies include citizens of various ethnicities and nationalities; INA Group companies support cultural and national diversity and the creation of an international team.

To this end, employees of INA Group companies must:

- not discriminate against anybody on the grounds of race or ethnic origin or skin color, gender, language, religion, political or other beliefs, national or social origin, pecuniary circumstances, trade union membership, education, social standing, marital or family status, age, health condition, disability, genetic inheritance, gender identity, expression or sexual orientation;
- make decisions exclusively based on merit, performance and qualifications as well as on other work-related criteria;
- base workplace relations on cooperation, openness, trust, mutual recognition and support;
- be open to accept cultural and national diversity and help colleagues from other countries to adapt to local circumstances;
- not publish or disseminate materials or jokes which might offend people belonging to any specific group;
- only pursue political and religious activities outside the workplace;
- take firm action against any form of discrimination.

5.3.2 Protection of Dignity

Every employee is required to create an atmosphere of mutual respect and trust, without which cooperation and the achievement of excellent business results is not possible. INA Group companies will not tolerate any form of abuse or harassment, at any workplace, towards employees, contractors, suppliers, customers or other stakeholders.

Employees of INA Group companies must not:

- engage in undesired behaviour which could be considered offensive, intimidating, malicious or insulting;
- engage in sexual harassment: Sexual harassment is a form of discrimination on gender grounds which includes every verbal, non-verbal or physical unwanted conduct of a sexual nature which aims to or which constitutes the violation of a person's dignity which causes fear, a hostile, humiliating or offensive environment where the person who is the subject of sexual harassment may assume that rejecting the offer will put him/her in a disadvantageous position regarding employment, promotions or that it will create a hostile working environment;
- engage in any form of harassment with the aim or effect of:
 - creating a hostile or intimidating work environment, in which employees may be compelled to engage in inappropriate conduct in order to fit in;
 - jeopardize the reputation, honor, human dignity and integrity of an individual or group;
 - decidedly interfering with an individual's work performance;
 - manipulating an individual's working conditions;
- humiliate or insult another person;
- make racial, ethnic, religious, age-related or sexual jokes;
- distribute and forward or display offensive material, including inappropriate images;
- misuse personal information;
- spread malicious rumors or use voice mail, e-mail or other electronic devices to transmit derogatory or discriminating information.

5.3.3 Protection of Privacy and Confidential Information

INA Group companies are committed to respecting the confidentiality of employees' personal information. The business policy of INA Group companies is to acquire and retain only information requiring employee consent unless prescribed by the law. Access to personal information

question

I received an e-mail from a friend containing jokes about members of another ethnicity. I wonder if the Code of Ethics allows me to forward it to my colleagues?

No, because such jokes might offend colleagues and it is private mail.

answer

question

When giving instructions or evaluating performance, I often include "four-letter words". Could this be a problem?

Yes, it could. This is a form of verbal abuse that might offend other people even if they refrain from making this obvious to you at the time.

answer

question

I run a petrol station. Last weekend, I cleaned the site with some employees who joined me on a voluntary basis. One of them sustained a minor injury and received first aid treatment. After a couple of days, he was fit to work again, so I did not report the accident to the relevant INA Group company. Was it the correct thing to do?

No. Every accident must be immediately reported to the relevant INA Group company.

answer

is strictly limited to duly authorized company personnel and may only be granted for business purposes. Anyone without special authorization, power of attorney or valid business reason may not attempt to access such information. Persons with access to personal employee information may only use such information for the purpose for which it was acquired and must adhere to highest confidentiality standards when doing so.

5.3.4 Child and Forced Labor

INA Group companies do not tolerate any form of forced or child labor. All employees and business partners of INA Group companies are expected to be aware of this obligation and abide by it in their daily work. Human rights violations and any forms of discrimination of employees are regarded as extremely serious breaches of ethical norms.

5.4 Health, Safety and Environmental Protection

Health, safety and environmental protection is a continuous responsibility and priority as well as part of all business processes and development programs of INA Group companies. In line with the commitment to sustainable development, a systematic approach to health, safety and environmental (HSE) protection issues was adopted to achieve continual improvement in performance in these areas. INA Group companies are committed to reducing health, safety and environmental risks arising from their business activities by creating safe working conditions and by continuously improving the efficiency of their environmental management performance. Focus on quality is a fundamental requirement in business activity performance.

INA Group companies put in place environmental protection programs in the areas in which they have business operations. In the performance of their business activities, INA Group companies observe all technological and ecological guidelines in force and they promote the acceptance of stricter standards designed to minimize the risk of adverse effects on the environment resulting from their business activities.

INA Group companies are committed to providing all their employees and other employers carrying out business activities on the premises of INA Group companies with a safe and healthy work environment in which nobody is exposed to unnecessary risks. INA Group companies rec-

ognize that safe business activities depend not only on technically sound facilities and equipment, but also on qualified employees and an active HSE culture.

Employees of INA Group companies:

- must always comply with HSE requirements at their work place;
- must cease any activities which become unsafe and must immediately report this fact to a superior or relevant manager;
- may only perform tasks for which they are trained, competent, medically fit, sufficiently rested and ready to carry them out, pursuant to regulations governing labor and safety at work;
- must know what to do in the event of an emergency at their work place;
- must promptly report to a line manager or manager exercising employer's rights about every accident, injury, illness, unsafe or unhealthy conditions, incidents, spills or releases of substances harmful to the environment, so immediate measures can be taken to remedy, prevent or monitor such events;
- may not perform work when their performance is impaired by alcohol or drugs (medication), legal or illegal, prescribed or acquired otherwise. They must also prevent other employees from doing so;
- may not possess, use or transfer illegal medication or narcotics on the premises of INA Group companies and must report any such actions by others;
- must comply with regulations concerning smoking restrictions in the workplace.

It is in everyone's interest and everyone's responsibility to maintain the values of INA Group companies. Knowledge of and compliance with the safety rules of INA Group companies play a key role, as well as ensuring compliance thereof on the part of business partners and staying on the premises of INA Group companies.

Employees of INA Group companies:

- must perform work in accordance with security requirements;
- must bear in mind and inform external partners that it is forbidden to bring firearms into the facilities of INA Group companies if they suspect that an external partner carries a firearm, except for persons legally authorized to do so (members of the armed forces and armed

question

One of my colleagues regularly shows up drunk at the office. When I tell him that this is disruptive and against labour safety regulations, he defends himself by talking about his family problems which he will "resolve soon". This, however, has now been going on for six months.

The Code of Ethics clearly specifies that no work may be performed under the influence of alcohol or drugs. Employees are also responsible for preventing others from working under such circumstances. In this instance, you must report the case to your line manager and he will take care of it.

answer

- security guards) during the performance of their duties;
- may not leave unattended any confidential information and valuables of INA Group companies;
- may not engage in conversations about topics of a confidential nature in public, either inside or outside the business premises INA Group companies;
- must report security-related incidents (e.g. criminal acts, threatening telephone calls, loss of confidential information) to a representative of the Corporate Security Sector, local security services and their employer.

In the context of health, safety and environmental protection, dangerous behavior posing risks to others is regarded as an extremely serious breach of ethical norms.

5.5 Government Affairs and Political Involvement

In its business operations, INA Group companies act in good faith and in an honest manner, in compliance with all applicable regulations of the countries in which they have business operations and they only use permissible business practices. INA Group companies are committed to acting as socially responsible corporate citizens in relation to state and government authorities, local authorities and in the region and society as a whole. INA Group companies pay all taxes and insist on transparency in all financial transactions.

Employees of INA Group companies may not:

- make or authorise any improper and undue payments to a local or foreign government functionary or official or any other affiliated person or entity;
- attempt to induce a local or foreign government functionary or official to commit an unlawful act;
- offer or receive money (or any other material values such as gifts), commissions in relation to obtaining business or awarding contracts;
- do anything to assist someone else to break these rules;
- mislead any police officers or other government or public functionary or official or regulatory body;

- attempt to obstruct, in any manner, the collection of information, data, evidence or records by government or regulatory bodies duly authorized to do so;
- conceal, alter or destroy documents, information or records which are the subject of an investigation or inquiry;
- attempt to hinder other employees from providing accurate information.

5.5.1 Political Involvement

INA Group companies do not prohibit employee involvement in politics, but political activities should not be undertaken by employees on behalf of INA Group companies, nor should such activities be in conflict with the interests of INA Group companies.

Managers in INA Group companies must:

- obtain information in accordance with regulations and in compliance with the lobbying laws in the countries in which INA Group companies have business operations;
- obtain all relevant information on any company or advisor engaged in lobbying activities prior to concluding an assignment contract with them. They must verify if such companies or advisor operate lawfully and do not pursue the interests of opposing lobbies based on third party assignments.

When involved in politics, employees of INA Group companies must be very careful when pursuing such activities not to:

- use the names of INA Group companies;
- lead others to believe that an INA Group company has committed itself to any political party or movement;
- join groups whose aims or activities are in conflict with the interests of INA Group companies;
- use equipment of INA Group companies (e.g. faxes, computers, the Internet, telephones, copiers, scanners, headed writing paper, etc.);
- may not carry out political activities in the workplace.

In the context of government affairs and political involvement, corruption is regarded as an extremely serious breach of ethical norms.

question

A colleague of mine was nominated as a candidate for membership in the local government. He copied election campaign leaflets on the copying machine at the office. I do not care about his political views and ambitions but I do not like the fact that the company's equipment or assets are used for political activities.

The Code of Ethics strictly prohibits such behaviour and this case should be immediately reported to the relevant manager. Whereas we would not, of course, wish to restrict our employees from pursuing political activities, we do expect them to refrain from using INA Group's assets or equipment in pursuit of their political ambitions.

question

I have just learned that a company contracted by INA Group is involved in illegal employment practices. This behaviour is normal in the given country. What should I do?

Share this information with your line manager. It is in INA Group's vital interest to collaborate only with partners that comply with applicable law and regulations and particularly the provisions of this Code of Ethics.

answer

5.6 Local Communities and Civil Society

INA Group companies contribute to economic growth and raising living standards in the areas in which it does business. Apart from creating new jobs, INA Group companies serve the public good through activities aimed at improving public health, culture and education. INA Group companies are committed to social patronage and sponsorship without corruption. INA Group companies are committed to responsible communication: They provide the general public with regular, complete, comprehensible and trustworthy information about their business activities and intentions via all relevant media.

The aim is to develop positive and highly professional relationships with the media. INA Group companies seek to engage in an open and transparent dialogue and consultations with local communities and other representatives of civil society with legitimate interests in the business activities of INA Group companies. Employee participation in support of local community development and social initiatives is encouraged.

Employees of INA Group companies must:

- comply with valid rules in each and every community and country in which they do business;
- respect the fundamental human rights, culture and differing business customs of these communities and countries (as long as they are not in conflict with the principles of this Code);
- seek to recruit qualified employees from the local community wherever possible.

Within the context of local communities and society in general, human rights violations, disinformation of local communities and corruption are regarded as extremely serious breaches of ethical norms.

5.7 Suppliers and Business Partners

Relations with suppliers and other business partners are based on mutual trust and respect. All information in regard to relations between INA Group companies and its suppliers is considered confidential. INA Group companies do not misuse their position on the market and are

committed to creating equal conditions for all business partners. INA Group companies are also committed to executing all their contractual obligations.

When acting on behalf of INA Group companies, it is the specific responsibility of the employees of INA Group companies to help suppliers to become familiar with and comprehend the ethical requirements and expectations of INA Group companies.

Employees of INA Group companies:

- must select only persons and companies with a good reputation and the requisite qualifications;
- must seek to do business with suppliers which comply with relevant legal requirements and act in a manner consistent with the commitment of INA Group companies to ethical norms in the manner established by the Code;
- must help suppliers to comprehend the requirements of INA Group companies in terms of quality and ethics;
- report to a line manager supplier activities which are inconsistent with these requirements;
- may not ask for or accept any benefit from any business partner. They must report without delay such unlawful benefits offered by business partners or suppliers to a line manager and initiate the termination of all business relations with them;
- must select suppliers based on merit, avoiding conflicts of interest, the offer of inappropriate gifts, entertainment or any other form of favoritism which might compromise such a selection; promotional gifts of a small value up to EUR 50.00 (e.g. pens, key chains, calendars, agendas), other business gifts, business meals and conference participation given without the intention to exert influence may be accepted;
- must inform a line manager about any gifts with a value exceeding EUR 50.00, who will then decide whether the gift may be kept, offered for charitable purposes or returned to the person it was received from. INA Group companies make it possible for their partners to support corporate charity initiatives instead of giving gifts to employees of INA Group companies;
- must inform a line manager about invitations received for business purposes and they must ensure that accepting such invitations is approved in advance. The line manager has the right to decide if accepting such invitations serves the business interests of the INA Group company; may not accept travel, holiday and/or accommodation offers by a business partner, external supplier and person working for an INA Group company (e.g. consultants, representatives,

question

I am working in a country where rejecting a gift is an insult. One of our partners surprised me with a special gift.

What should I do?

If you receive any gift with a value higher than 50 EUR, you should report it to your line manager who will decide whether it can be kept, should be given to charity or returned to the person it was received from. All gifts, business meals and events with a value exceeding 50 EUR must be recorded in the gifts register of the relevant organizational unit, regardless of whether accepted or refused. If not recorded in the gifts register, they may be regarded as acts of bribery.

answer

question

I am a member of a project team responsible for selecting a new supplier. One of the co-owners of a bidding company is my cousin. Their bid is the best from all aspects and I therefore think it would be in INA Group's best interest to accept it.

The Code of Ethics strictly prohibits conflicts of interest and prescribes that in above situation a decision must be requested from a line manager who will assess whether the relevant employee's status is incompatible with the work the employee is performing in the INA Group company.

answer

franchise partners, etc.). In certain cases (e.g. professional training or invitations to hold presentations) accepting such travel and accommodation offers is permitted if approved in writing by a relevant manager exercising employer's rights;

- must record all gifts, business meals and events with a value exceeding EUR 50.00 in the gifts register of the organizational unit in question, regardless of whether accepted or refused. Gifts, business meals and events with a value exceeding EUR 50.00 not recorded in the gifts register may be regarded as acts of bribery;
- must be careful not to disclose confidential business information in relation to suppliers (e.g. bid rating details, bid price information) to any third party.

5.7.1 Conflict of Interest

Employees of INA Group companies may become exposed to conflict of interest which must be avoided. Such cases must be reported to and require authorization by a line manager exercising employer's rights.

Since the following situations clearly represent conflicts of interest, employees of INA Group companies may not:

- transact, for their own or someone else's account, business in the field of activity performed by INA Group companies or work with or provide services to any third party with whom they have established prior contact as part of their work for an INA Group company;
- be a member of a company or invest into a supplier or customer if they are involved in any manner in the selection or evaluation of the supplier or customer or if they supervise anyone who has such responsibility. Investments in public business associations represent an exception to this rule.

In the following cases, employees of INA Group companies must previously obtain a written authorization from a line manager exercising employer's rights:

- prior to establishing any relations, in which a conflict of interest can be assumed, with persons in competition with INA Group companies, customers and suppliers;
- prior to accepting executive positions, membership in a supervisory board or other membership in a business enterprise or non-profit organization, which is in the field of activity of

INA Group companies;

- prior to becoming the owner of a controlling stake in an external business enterprise, which is in the field of activity of INA Group companies;
- prior to making any substantial investment in companies owned by persons in competition with INA Group companies, suppliers or customers. A substantial investment (means any economic interest which might influence or create the impression of influencing the employee's judgement).

In the following cases, employees of INA Group companies must request in writing a decision by a line manager exercising employer's rights (or the relevant project manager in case of projects) on whether the following is incompatible with the work performed at the INA Group company:

- if a person works within the framework of an employment relationship or as an agent or representative of another company outside INA Group companies;
- if, based on the position held, a person has the possibility to hire, supervise, affect the terms and conditions of employment or influence the supervisor of any of their close relatives, regardless of whether this person is an employee of an INA Group company or a contracted partner of an INA Group company;
- if a person learns that one of their close relatives works or provides services to persons in competition with INA Group companies, a customer or supplier, and that the close relative has been involved in decision-making or contract conclusion procedures in relation to persons in competition with INA Group companies, customers or suppliers.

All actions by employees of INA Group companies not in compliance with the above shall be considered unacceptable conduct and shall as such be treated as acts contrary to the interests of INA Group companies. With regard to suppliers and business partners, corruption is regarded as an extremely serious breach of ethical norms.

5.8 Competitors

While INA Group companies actively compete in many of its business activities, their actions on the market are conducted in accordance with the norms of fair competition and in conformity

question

I have just attended a conference where I met some former colleagues who now work for other companies in positions similar to mine. During the break, one of them proposed sharing product and price information to help each other.

What should I do?

You have to reject such proposals. Practices agreed in concert with competitors represent not only a breach of the Code of Ethics but also of applicable laws. You should also report this to your line manager.

question

I am afraid that my line manager has breached ethical norms. The reason I am worried is that if I report the case, I may face detrimental consequences.

What should I do?

You should use the channels described in the Code or contact INA Group's Ethics Council directly. INA Group will not tolerate any retaliation against people reporting compliance issues in good faith and we expect everyone to act responsibly concerning such reports.

answer

with applicable competition law. INA Group companies collect information on persons in competition with INA Group companies in a strictly legal manner. They only use publicly available information and sources to evaluate business, consumer, supplier and technological trends, parliamentary bills in draft as well as communication campaigns of suppliers and persons in competition with INA Group companies. INA Group companies will gather such information in a fair and legal manner.

INA Group companies pay particular attention not to conclude any kind of cartel agreement or practices agreed in concert, directly or indirectly, with persons in competition with INA Group companies for the purpose of fixing prices, sharing markets or fixing production and sales quotas.

At the same time, where business activities of the industry in general significantly impact both the natural environment and the social development of local communities, INA Group companies will actively co-operate with persons in competition with INA Group companies in the execution of mutual social and environmental responsibilities. INA Group companies will seek every opportunity to express their ethical commitments among trade organizations, industry associations, multi-stakeholder organizations and on the level of local, regional and global partnerships that advance the values of sustainable development.

With regard to persons in competition with INA Group companies, cartel agreements are regarded as an extremely serious breach of ethical norms.

6 POSING QUESTIONS AND EXPRESSING CONCERN

Employees of INA Group companies must report any breaches or potential breaches of INA Group's Code of Ethics of which they become aware and whether these relate to themselves, their direct reports, line managers or others. They must seek advice if they are ever unsure about the proper course of action.

When reporting unethical conduct, the reporting person must respect the rights of the person reported on, thus it is forbidden to disclose or forward personal data of the person being

reported to any INA Group member company or third party not concerned with the ethical compliance issue in question.

In the event of any concerns of an ethical nature, employees may first contact a line manager. Help or advice can also be sought from the HR Sector/HR partner or the Legal Sector of INA, d.d. or competent organizational units/persons performing such tasks in the relevant INA Group company. Should an employee ever feel uncomfortable to use these channels, they may, at any time, contact INA Group's Ethics Council or the ethics officer in the relevant INA Group member company as stated below.

The main role of INA Group's Ethics Council is to ensure the impartial implementation of procedures. The respective managements of all INA Group companies and INA Group's Ethics Council must ensure that the employees of INA Group companies are familiarized with the content of the Code.

INA Group's Ethics Council:

- periodically reviews and, without stating personal details, reports on ethical procedures initiated against persons who have breached the Code;
- oversees ethical behavioural training and communication related to the Code;
- conducts or orders the ethics officers in relevant INA Group member companies to carry out ethical investigations;
- continuously assesses non-compliance risks and ensures that regulations are proportional to such risks;
- provides support and help to employees comply with the Code;
- draws up and submits Code compliance reports to the Executive Board of INA, d.d. and the Management Board of INA, d.d.

In case of reservations regarding the use of above possibilities, unethical conduct may be reported to to INA Group's Ethics Council or the Ethics officer in the relevant INA Group company. INA Group's Ethics Council can be contacted via e-mail at eticko.povjerenstvo@ina.hr or in writing to the following address: **For INA Group's Ethics Council, Republic of Croatia, Zagreb, Av.V. Holjevca 10, p.p. 555**, with the obligatory note **"Do not open"**.

INA Group's Ethics Council also operates a telephone line with an answering machine, phone number: **+385 (1) 64-52-454**.

The phone line is available 24 hours a day/seven days a week. You may use your native language in all communication with INA Group's Ethics Council. Please bear in mind that investigations are more effective if you provide as many details about the reported compliance issue as possible, including the name of the grievance submitter. Anonymous reports will only be investigated if an extremely serious breach of the Code is assumed to have occurred.

Any employee may seek advice, raise concerns or report in good faith acts of misconduct in compliance with this Code. Should an employee of an INA Group company report a breach of ethical norms knowing that no Code breach was committed or that the Code breach was committed by a person other than the person reported, ethical procedures may be initiated against that employee.

INA Group companies will not tolerate any retaliation against people reporting compliance issues in good faith. Allegations of retaliation must be reported. The Ethics Council or the ethics officer in the relevant INA Group company will investigate all such allegations and take the appropriate actions.

Anyone responsible for retaliation against individuals who report suspected unethical conduct or other business risks will be subject to an ethical procedure. If you suspect that you or someone you know have been retaliated against for raising an ethical compliance issue reporting a Code breach, you should contact INA Group's Ethics Council immediately.



