

ROTARY CO. LTD. CODE OF ETHICS

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RELATED HIGHER-LEVEL REGULATIONS

HR_I1 INA Group Code of Ethics

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1 OBJECTIVE

To provide all stakeholders with an overview of ethical norms considered by ROTARY Co. Ltd (hereinafter: "ROTARY") as essential to its successful operations. The ROTARY Code of Ethics respects fundamental human rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and responsibility. ROTARY purposefully adopts corporate responsibility for all its internal and external stakeholders. ROTARY expects stakeholders to live up to and act in compliance with these norms, to assist in the identification and management of ethical issues and to support the process of reporting breaches of ethical compliance.

2 CODE OF ETHICS

The ROTARY Code of Ethics (hereinafter referred to as "the Code") describes the ethical norms adopted by ROTARY that apply to all internal and external stakeholders in the course of conducting business operations.

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 ROTARY 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 ROTARY.

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 ROTARY (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

All executive officers and employees of ROTARY must act in compliance with the Code.

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, even after working hours, to act in compliance with and apply Code regulations and to avoid unacceptable conduct in contravention of the Code.

Inside ROTARY, 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 corporate governance documents;
- 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 competence 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 ROTARY.

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 and property protection
- government affairs and involvement in politics;
- local communities and civil society;
- suppliers and business partners;
- conflict of interest;
- competitors of ROTARY.

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

4 RESPONSIBILITIES

The General Manager of ROTARY is responsible for adoption, revision and withdrawal of this Regulation.

Legal & Management Support Expert is responsible for preparation, implementation supervision and updating of this regulation.

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 ROTARY must:

- be attentive to customer needs, continuously monitor, assess and advance 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 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.

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

5.2 Shareholders

Persons responsible in ROTARY 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

ROTARY provide full and transparent information to all stakeholders and are attentive 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 ROTARY:

- 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 ROTARY 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;

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- 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 ROTARY.

5.2.2 Company Property

Employees of ROTARY:

- are personally held responsible for ensuring the integrity as well as the expedient and economical use of the property of the ROTARY;
- may not use assets or facilities of ROTARY 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 ROTARY, 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 ROTARY, 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 ROTARY which must be protected. Given that this information is the product of the efforts of employees of ROTARY, regulations permit in specific cases that such information is protected as intellectual property.

Employees of ROTARY 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 ROTARY 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 ROTARY, 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 ROTARY.

ROTARY 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.

ROTARY 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 ROTARY and may not be considered private/personal property.

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 ROTARY 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 ROTARY 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 Insider trading

Insider trading refers to the unlawful use of inside information for material gain. Insider trading means trading in securities or other stock exchange products such inside information refers to, regardless of whether received from insider resources or assignees thereof. Transfer of inside information to any party that can be implicitly assumed to be for trading purposes must be treated in the same way. Inside information means germane information that relates to ROTARY or its securities or to another company or its securities which is not available to the general public. Information is considered "germane" if a rational investor would be likely to consider such information important when deciding whether or not to buy or sell a company's shares. ROTARY is committed to the fair marketing of publicly-traded securities. Insider dealing in securities is regarded as a criminal offence in most of the countries in which the Company carries out business. Therefore, we require not only full compliance with relevant law but also the avoidance of even the appearance of insider securities trading.

ROTARY employees must:

- never buy or sell shares in ROTARY or any other company while in possession of inside information
- never disclose inside information to anyone outside ROTARY without written authorisation
- be cautious, even with other ROTARY employees.
Disclosing inside information to a co-worker must only be based on permission to do so and to the extent necessary to carry out job requirements
- protect inside information from accidental disclosure.

5.2.5 Digital Systems

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

Employees of ROTARY:

- must be aware of the IT policy of the ROTARY in relation to internet usage;
- may not use the electronic communication systems of ROTARY 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, ROTARY 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 ROTARY property is regarded as an extremely serious breach of ethical norms and to be against shareholder interests.

5.3 Employees

ROTARY are committed to providing a work environment of mutual trust in which all employees of ROTARY are treated with dignity and respect. ROTARY respect the religious freedom of employees of ROTARY 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. ROTARY 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

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

To this end, employees of ROTARY 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. ROTARY will not tolerate any form of abuse or harassment, at any workplace, towards employees, contractors, suppliers, customers or other stakeholders.

Employees of ROTARY 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

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

ROTARY do not tolerate any form of forced or child labor. All employees and business partners of ROTARY 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 and Property protection

Health, safety and environmental protection is a continuous responsibility and priority as well as part of all business processes and development programs of ROTARY.

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. ROTARY 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. ROTARY put in place environmental protection programs in the areas in which they have business operations. In the performance of their business activities, ROTARY 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.

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

- 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 ROTARY 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 ROTARY. Knowledge of and compliance with the safety rules of ROTARY play a key role, as well as ensuring compliance thereof on the part of business partners and staying on the premises of ROTARY.

Employees of ROTARY:

- 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 ROTARY 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 security guards) during the performance of their duties;

- may not leave unattended any confidential information and valuables of ROTARY;
- may not engage in conversations about topics of a confidential nature in public, either inside or outside the business premises ROTARY;
- 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, ROTARY 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. ROTARY 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. ROTARY pay all taxes and insist on transparency in all financial transactions.

Employees of ROTARY 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

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

Managers in ROTARY must:

- obtain information in accordance with regulations and in compliance with the lobbying laws in the countries in which ROTARY 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 ROTARY:

- must be very careful when pursuing such activities and not to:
 - use the names of ROTARY;
 - lead others to believe that an ROTARY has committed itself to any political party or movement;
 - join groups whose aims or activities are in conflict with the interests of ROTARY;
 - use equipment of ROTARY (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.

5.6 Local Communities and Civil Society

ROTARY contribute to economic growth and raising living standards in the areas in which it does business. Apart from creating new jobs, ROTARY serve the public good through activities aimed at improving public health, culture and education. ROTARY are committed to social patronage and sponsorship without corruption. ROTARY 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. ROTARY 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 ROTARY. Employee participation in support of local community development and social initiatives is encouraged.

Employees of ROTARY 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 ROTARY and its suppliers is considered confidential. ROTARY do not misuse their position on the market and are committed to creating equal conditions for all business partners. ROTARY are also committed to executing all their contractual obligations.

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

Employees of ROTARY:

- 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 ROTARY to ethical norms in the manner established by the Code;
- must help suppliers to comprehend the requirements of ROTARY 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 favouritism 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. ROTARY make it possible for their partners to support corporate charity initiatives instead of giving gifts to employees of ROTARY;
- 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 ROTARY;
- may not accept travel, holiday and/or accommodation offers by a business partner, external supplier and person working for an ROTARY (e.g. consultants, representatives, 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 ROTARY 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 ROTARY may not:

- transact, for their own or someone else's account, business in the field of activity performed by ROTARY or work with or provide services to any third party with whom they have established prior contact as part of their work for an ROTARY;
- 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 ROTARY 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 ROTARY, 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 ROTARY;
- prior to becoming the owner of a controlling stake in an external business enterprise, which is in the field of activity of ROTARY;
- prior to making any substantial investment in companies owned by persons in competition with ROTARY, 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 ROTARY 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 ROTARY;

- if a person works within the framework of an employment relationship or as an agent or representative of another company outside ROTARY;
- 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 ROTARY or a contracted partner of an ROTARY;
- if a person learns that one of their close relatives works or provides services to persons in competition with ROTARY, 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 ROTARY, customers or suppliers.

All actions by employees of ROTARY not in compliance with the above shall be considered unacceptable conduct and shall as such be treated as acts contrary to the interests of ROTARY.

With regard to suppliers and business partners, corruption is regarded as an extremely serious breach of ethical norms.

5.8 Competitors

While ROTARY 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 with applicable competition law. ROTARY collect information on persons in competition with ROTARY 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 ROTARY. ROTARY will

gather such information in a fair and legal manner.

ROTARY pay particular attention not to conclude any kind of cartel agreement or practices agreed in concert, directly or indirectly, with persons in competition with ROTARY 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, ROTARY will actively co-operate with persons in competition with ROTARY in the execution of mutual social and environmental responsibilities. ROTARY 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 ROTARY, cartel agreements are regarded as an extremely serious breach of ethical norms.

6 POSING QUESTIONS AND EXPRESSING CONCERN

Employees of ROTARY must report any breaches or potential breaches of INA Group's Code of Ethics of which they become aware – 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 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. You may also get help or advice from your HR partner. Should you ever feel uncomfortable using these channels, you may, at any time, contact the INA Group's Ethics Council or the Ethics Officer of the ROTARY.

The main role of INA Group's Ethics Council is to ensure the impartial implementation of procedures.

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.

Investigations and ethical procedures are regulated in chapter 7.

In case of reservations regarding the use of above possibilities, unethical conduct may be reported to INA Group's Ethics Council or the Ethics Officer in ROTARY via e-mail etikaibizottsag@rotarydrilling.hu. INA Group's Ethics Council can be contacted via e-mail at eticko.povjerenstvo@ina.hr or in writing to the following address: Av. V. Holjevca 10, P.O. Box 555, Zagreb, Republic of Croatia, with the obligatory note "Attn.: INA Group Ethics Council" and "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 ROTARY 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.

ROTARY 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 ROTARY 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 Ethics Council immediately.

7 ETHICAL PROCEDURES

7.1 General Provisions

A breach of ethical norms is committed by a person who deliberately or by negligence breaches the Code through conduct or failure.

7.1.1 Objective of Ethical Procedures

The primary objective of ethical procedures is to promote ethical conduct /behaviours as prescribed by the Code, to specify the roles and responsibilities of organizational units and the persons involved therein, to define the applicable rules of procedure and the operations of INA Group's Ethics Council (Ethics Officers).

7.1.2 Deadlines

Persons involved in ethical procedures must take all reasonably expected efforts to meet the deadlines set forth in this chapter in a way as to ensure that procedures conducted by INA Group's Ethics Council effectively support decision-making by managers exercising employer's rights and the management of other contractual legal relations.

7.1.3 Confidentiality

In order to protect the privacy of persons involved in ethical procedures, all documents drawn up or made available in the course of ethical procedures shall be confidential, unless established otherwise in this chapter. Pursuant to INA Group documents, all documents pertaining to ethical conduct issues fall under the category "confidential".

All parties involved in ethical procedures must handle all information and documents as confidential. Should a reporting person fail to comply with this rule, the investigation of the ethical issue may be refused.

7.1.4 Parties' Behaviour

In the course of an ethical procedure, all parties must use a communication style expected in any formal business relationship.

7.2 Responsibilities and Powers of INA Group's Ethics Council

7.2.1

The essential mission of INA Group's Ethics Council is ensuring the ethical conduct of stakeholders and coordinating purposeful ethical development in ROTARY. INA Group's Ethics Council monitors and prepares Code amendment proposals. It is responsible for monitoring long-term compliance with the Code. It investigates ethics complaints and addresses ethical issues received from stakeholders of ROTARY, it oversees Code-related communication and education and operates a Code monitoring system. It draws up semi-annual reports for the Management Board of INA, d.d. and the Executive Board of INA, d.d. on investigation results, findings and raised ethical issues, and it prepares proposals on necessary measures.

7.2.2

In the event of a breach of the ethical norms established by the Code, it is under the competence of INA Group's Ethics Council to conduct an ethical procedure in relation to the Code breach and to prepare proposals for line managers exercising employer's rights.

By publishing its decisions, INA Group's Ethics Council facilitates the interpretation of Code provisions for the purpose of introducing standard practices.

7.3 INA Group Ethics Council Activities

7.3.1

INA Group's Ethics Council operates and makes decisions as a collegial body.

7.3.2

Members of INA Group's Ethics Council are independent experts and representatives of employees. INA Group's Ethics Council consists of 7 to 15 members; members and the president of INA Group's Ethics Council are appointed by the president of the Management Board of INA, d.d.; members who are not employees are appointed for a definite period of time, while members who are employees are appointed for an indefinite period of time. The president of the Ethics Council is an external expert independent of the work organization.

When taking action in relation to grievances concerning the protection of employee dignity under item 5.3.2, one ad hoc member appointed by the trade unions shall be included in the work of INA Group's Ethics

Council if the grievance submitter is a trade union member, i.e. a person shall be appointed by the Works Council if the grievance submitter is not a trade union member. The ad hoc member shall have the same legal status as the other members of INA Group's Ethics Council.

7.3.3

Membership in INA Group's Ethics Council is terminated in the following cases:

- by resignation;
- for members who are employees, automatically upon employment termination;
- for members who are employees, by recall on the part of the president of the Management Board of INA, d.d. without explanation;
- for members who are independent experts, upon expiration of the fixed term, or by recall the fixed term on the part of the president of the Management Board, without explanation.

By sending a written statement addressed to the president of the Management Board of INA, d.d., members may resign from membership at any point in time

7.3.4

INA Group Ethics Council operations are supervised and co-ordinated by the president of INA Group's Ethics Council. The president of INA Group's Ethics Council is responsible for preparing and regularly convening INA Group Ethics Council meetings, providing sufficient information required for effective conduct and decision-making in a timely manner. The secretary of INA Group's Ethics Council, who is not a member of INA Group's Ethics Council, supports the president of INA Group's Ethics Council. The Preparatory Committee appoints the secretary of INA Group's Ethics Council.

7.3.5

INA Group's Ethics Council operates as a core team composed of the president of INA Group's Ethics Council and two INA executive directors, as members of the council (hereinafter: Preparatory Council), which addresses individual tasks specified in this chapter.

7.3.6

Within ROTARY, Ethics Officer support INA Group's Ethics Council in carrying out its tasks. If a reported person does not consent to having his/her data processed by INA Group's Ethics Council as an independent collegial body, procedures must be conducted at the company concerned by the relevant ethics officer. Ethics Officer of ROTARY are employees appointed by the General Manager.

7.3.7

INA Group's Ethics Council is convened as necessary, but meets at least four times a year. INA Group's Ethics Council meetings have a quorum for decision-making if attended by at least half of its members. If the quorum is not met, all members must be informed of the date of the repeated meeting at least 24 hours in advance, in writing (via mail or e-mail, or via fax). In the absence of a majority of members required to have a quorum at the first repeat meeting, INA Group's Ethics Council must be reconvened within 48 hours.

7.3.8

INA Group's Ethics Council passes decisions mainly based on a consensus. In exceptional cases, when the members are unable to arrive at an agreement, INA Group's Ethics Council passes decisions upon agreement of more than half of the members present. In the event of tie of votes, the president of INA Group's Ethics Council has a casting vote.

7.3.9

In the event that an INA Group Ethics Council meeting cannot be convened due to the urgency of a matter, on an exceptional basis it is possible to collect written opinions from by electronics means or in writing (mail or fax), and voting can be carried out electronically or in writing within a suitable deadline. The president of INA Group's Ethics Council shall immediately inform members of the results of votes by electronic means or in writing and/or at a subsequent meeting. Members who fail to meet the deadline set by the president of INA Group's Ethics Council shall be considered as members who do not intend to vote.

7.3.10

Members who are absent from an INA Group Ethics Council meeting but attend the entire meeting via phone or video conference connection shall be regarded as members present at the meeting. Participation via phone or video conference must be recorded in the minutes and attested by the relevant members.

7.3.11

Meetings are organized by the secretary of INA Group's Ethics Council, who sends out

invitations to previously scheduled meetings or meetings convened for a date set by the president of INA Group's Ethics Council so that members receive such invitations at least 5 working days in advance.

7.3.12

Meetings are headed by the president of INA Group's Ethics Council or, if the president is prevented from attending, a member of INA Group's Ethics Council appointed by the president of INA Group's Ethics Council to do so. The person presiding over the meeting shall establish the agenda and ensure that the meeting is conducted accordingly.

7.3.13

Minutes are taken during INA Group Ethics Council meetings. The minutes should be printed out and distributed to all members within 3 days following the meeting. The minutes are verified by the person presiding over the meeting, a designated INA Group Ethics Council member and the secretary of INA Group's Ethics Council. Upon request, minority or dissenting opinions must be attached to the minutes. Verified minutes must be made available to members of INA Group's Ethics Council in electronic form via the repository designated for this purpose, with the necessary access rights granted.

7.3.14

The president of INA Group's Ethics Council is authorized to convene an extraordinary meeting when at least three members of INA Group's Ethics Council request a meeting at the same time. The invitation with the proposal attached shall be distributed to members at least 3 days in advance. When justified, an extraordinary meeting can be convened within 24 hours.

7.3.15

The official language of INA Group's Ethics Council is Croatian. Upon request of a reporting person and/or reported person, INA Group's Ethics Council may permit the use of the person's mother tongue and makes documents drawn up during the course of procedure available in the same language.

7.4 Initiating Ethical Procedures

7.4.1

Anyone can initiate ethical procedures when detecting conduct at ROTARY which constitutes a Code breach. Managers of ROTARY must report conduct that requires no measures by the employer or other actions based on contract, but are considered Code breaches.

7.4.2

After a period of three years, procedures for breach of Code norms may only be initiated when duly justified.

7.4.3

Reports may be submitted and ethical procedures initiated through the channels listed in the Code.

The reporting person must supply the following details for the initiation of ethical procedures:

- name, home or work address, phone number and e-mail address (if available) of the person initiating the procedure, the name(s) of reported person(s) and a specification of the presumed breach of Code norms;
- all germane information required to assess the ethical compliance issue;
- evidence which may include corroborating statements of other persons or specific

information as to persons who may be contacted to provide such corroborating evidence supporting the report.

The reporting person shall state in the report if he/she wishes to remain anonymous, even if the required information has been stated in the report.

7.4.4

The recipient should handle reports received via INA Group's Ethics Council as follows:

- should the report be submitted to INA Group's Ethics Council or to the president of INA Group's Ethics Council or any member of INA Group's Ethics Council, the report must be immediately forwarded to the competent Ethics Officer in charge of the business area concerned, with the instruction that the necessary measures must be taken to obtain a statement of consent according to point 7.4.8;
- should the report be submitted to the competent ethics officer, the report must be immediately forwarded to INA Group's Ethics Council without any information identifying the reported person, and at the same time, the Ethics Officer must take the measures required for obtaining a statement of consent according to point 7.4.8.

Anonymous reports shall be investigated in the event of an extremely serious Code breach.

7.4.5

The secretary of INA Group's Ethics Council must record in writing all reports received via phone.

7.4.6

Upon receiving records by an Ethics Officer - and a report/investigation request, if the statement of consent was obtained – by INA Group's Ethics Council, the Preparatory Committee shall examine whether the reported case comes within the competence of INA Group's Ethics Council. If the reported breach of ethical norms also involves failure to fulfill obligations arising from employment or failure to fulfill obligations from another contractual relationship, the Preparatory Committee shall hand over all available information to a line manager exercising employer's rights and/or the head of the organizational unit responsible for managing the contract obligations breached for further action, while simultaneously informing the reporting person thereof.

7.4.7

In the event that an issue comes within the competence of INA Group's Ethics Council, but the report/investigation request does not conform to the provisions of point 7.4.3, the Ethics Officer shall return the report/request – stating which information is missing and setting a short deadline - to the reporting person with a request for additional information.

7.4.8

Upon receipt of a report and missing information, the Ethics Officer shall immediately inform the reported person about the report received and shall request the reported person's consent to have his/her personal data processed by INA Group's Ethics Council as required for the initiation of ethical procedures.

7.4.9

Within 8 days from the receipt of case documents, the Preparatory Committee shall make one of the following decisions:

- a. information and evidence presented in the report/request do not constitute grounds for the initiation of ethical procedures;
- b. the report contains non-credible and/or insufficient information in spite of a request for additional information or it is clearly unsubstantiated or inconsistent, thus INA Group's

Ethics Council will not investigate the case;

- c. the information and evidence described in the report/request constitute grounds for the initiation of ethical procedures.

If the reporting person can be clearly identified, the president of INA Group's Ethics Council must inform the reporting person in writing about the decision under this paragraph.

7.4.10

In the event that the Preparatory Committee decides to initiate ethical procedures, the president of INA Group's Ethics Council shall inform, in writing, the reporting person and the reported person that INA Group's Ethics Council has initiated ethical procedures based on a report of ethical misconduct received and shall briefly outline the allegations stated in the report.

The name of the reporting person may only be disclosed to the reported person if so justified by the nature of the unethical conduct and it is necessary to effectively conduct the procedure.

As part of above communication, both the reporting person and the reported person must receive a copy of these rules of procedure.

7.4.11

The president of INA Group's Ethics Council must inform INA Group's Ethics Council of all reports, including those in regard to which no ethical procedures have been initiated. Should the majority of members of the Ethics Council disagree with the Preparatory Committee, the president of INA Group's Ethics Council must initiate ethical procedures.

7.5 Rules Applicable During Ethical Investigation Procedures

7.5.1

All persons involved in an investigation must keep confidential all information and act with integrity and impartially throughout the entire process. On all communication related to the case, "confidential" must be indicated.

7.5.2

If the reported person has consented to the processing of his/her personal data by INA Group's Ethics Council, the president of INA Group's Ethics Council shall appoint an Investigation Committee composed of three members of INA Group's Ethics Council which is responsible for investigating the specific case. Should special expertise be required, the president of INA Group's Ethics Council or any of the invited INA Group Ethics Council members are authorized to involve any person they wish. This fact, and the name of the organizational unit and the company of the person involved in the procedure shall be stated in the written investigation report. Only the following persons can be informed of the investigation:

- the president of INA Group's Ethics Council;
- the secretary of INA Group's Ethics Council;
- members of the Investigation Committee;
- other members of INA Group's Ethics Council not involved in the Investigation Committee, experts;
- the reporting person;
- the reported person (and his legal representative);
- employees providing information to the ethical investigation.

The reporting person, the reported person, persons who should be interviewed during a

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procedure and persons who, for other reasons, cannot be expected to act impartially may not be members of the Investigation Committee, they may not be involved in decision-making or establishing the position of INA Group's Ethics Council. Involved persons must immediately report any conflicts of interest to the president of INA Group's Ethics Council.

The president of INA Group's Ethics Council should decide on complaints of bias received from any person concerned by the procedure, while INA Group's Ethics Council should decide as a collegial body about any complaints of bias concerning the president of INA Group's Ethics Council.

7.5.3

In the event that the reported person has not consented to the processing of his/her personal data by INA Group's Ethics Council, the investigation shall be conducted by the competent Ethics Officer of the relevant ROTARY, to whom the president of INA Group's Ethics Council shall immediately forward all relevant documents drawn up, if any. The Ethics Officer shall solely conduct the investigation and only he/she is authorized to process documents and information created during the investigation. During the investigation, only the Ethics Officer may consult INA Group's Ethics Council without transferring or providing any personal data.

7.5.4

During the investigation, the following actions can be taken, in particular:

- conduct face-to-face or phone interviews with the relevant persons;
- request of written or published documents associated with the case which must be forwarded to the Investigation Committee/Ethics Officer within 5 days of the receipt of such a request;
- visit(s) to locations important from the perspective of the case.

7.5.5

The Investigation Committee/Ethics Officer must compile a written report no later than 30 days following the decision on initiating an investigation. If the assessment or other circumstances relevant to the case require so, the Investigation Committee/Ethics Officer is authorized to extend the term of procedure on one occasion, by 30 days, or if duly justified, by a maximum of 60 days. The report should discuss all the documents used in relation to the investigation, a statement of reasons for proposed solutions, including case-specific correspondence and all other evidence acquired and examined during the investigation. The report drawn up by the Investigation Committee should also contain a draft decision by INA Group's Ethics Council. A report drawn up by the Ethics Officer explaining the findings and recommendations of the investigation should be sent, without the inclusion of personal data, to INA Group's Ethics Council, and, where necessary, a decision by INA Group's Ethics Council can be simultaneously requested.

7.5.6

At the first meeting following the receipt of a written report by the Investigation Committee/ethics officer, INA Group's Ethics Council must pass a decision in this regard.

7.5.7

INA Group's Ethics Council can pass one of the following decisions:

- establish Code violations and inform the line manager exercising employer's rights that the reported person has violated one or several Code rules, along with proposed measures;
- to refuse reports/requests based on which ethical procedures were initiated.

INA Group's Ethics Council must document its decisions in writing together with a statement of reasons. Apart from the management of ROTARY and managers exercising employer's rights, decisions by INA Group's Ethics Council must also be communicated to the reporting person and the reported person.

7.5.8

INA Group's Ethics Council concludes an ethical procedure by communicating the decision to a manager exercising employer's rights.

7.5.9

At the recommendation of INA Group's Ethics Council, the line manager of the reported person exercising employer's rights is authorized to pass a decision concerning sanctions and must notify INA Group's Ethics Council thereof.

7.5.10

Reporting persons are never entitled to any compensation on the grounds of an ethical procedure.

7.5.11

INA Group's Ethics Council shall decide whether its decisions should be published within ROTARY, without names and other details in regards to persons involved. The report communicated to the reporting person and the published decision may not contain information that could violate the privacy of any employee of ROTARY or any other legal or private person involved in the procedure, particularly information in relation to business secrets, privacy or data protection.

7.5.12

Any established Code breaches shall be included in the perpetrator's personal file.

8 RELATED DOCUMENTS

Identifier	Title of the regulation
2012. I.	Labour Act
2003. CXXV.	Prevention of Discrimination Act
2013. CLXXVII.	Civil Code
2001. CXX.	Capital Market Act
2011. CXII.	Data Protection Act

9 TERMS AND ABBREVIATIONS

10 ANNULMENTS

Identifier	Title of the regulation	Version
V – 31 – 13 – 1	ROTARY Co. Ltd. Code of Ethics	01-11

11 MODIFICATIONS

The key amendments to the Code pertain to strengthening the role of managers exercising employer's rights in promoting a culture of ethical conduct and the introduction of Ethics Officer in ROTARY.

12 NOTES

The Code shall come into force and be applicable at the earliest 8 days after its release.

Procedures initiated under a preceding the Code shall be completed pursuant to the provisions of this Code.

13 APPENDICES

Appendix No.	Appendix Title
Appendix 1	ROTARY Drilling Co. Ltd. Business Partner Code of Ethics