

KOVÁCS KFT.
CODE of
BUSINESS
ETHICS



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INTRODUCTION



Our commitment to ethical behavior and a solid ethical foundation are the most important elements of the operation of Kovács Kft. We are committed to the proper conduct of business.

In the long run, we can only face business challenges if we take moral responsibility for our principles, both personally and as a company. In the course of their activities, our employees are always obliged to act legally, ethically and in accordance with the interests of Kovács Kft.

All employees of Kovács Kft. are expected to know and comply with the Code of Business Ethics..

AIM and SCOPE of CODE of BUSINESS ETHICS

The Code of Business Ethics contains the values and ethical norms accepted and to be followed by Kovács Kft., as well as summarizes the rules of conduct and conduct that it expects from its employees when conducting business.



The rules of the Code of Business Ethics apply to all senior and non-executive employees of Kovács Kft., to the employees of the company who performs their work in another legal relationship or in the form of an enterprise, independent suppliers, as well as all persons acting on behalf of Kovács Kft., performing an activity.

BUSINESS ETHICS PRINCIPALS of KOVÁCS KFT.



Sincerity

We are honest in all communications and activities. We are convinced that the basis of mutual trust is honesty, so the reputation and corporate ethics of Kovács Kft.

Fair business conduct

Kovács Kft. considers fair, transparent operation to be an important value and strongly opposes all forms of corruption. All employees are expected not to solicit, accept, offer or give undue advantage in the course of or in connection with their work for the benefit of themselves, the Company or any third party.

In addition, all employees of the Company are expected to report acts of a corrupt nature that come to their notice, either through the channel available for reporting under this Code of Business Ethics, or through their immediate superior, or otherwise provided by law.

Trustworthiness

We strive for transparency and accountability. We recognize and accept corporate and individual accountability for the ethical quality of our activities and operations.

Respect for others

We give everyone due respect. We respect everyone's rights and interests in human dignity, self-determination and privacy.

Responsibility

Kovács Kft. takes responsibility for the consequences of its activities and takes into account the needs and expectations of external and internal stakeholders.

Accountability

We strive for transparency and accountability. We recognize and accept corporate and individual accountability for the ethical quality of our activities and operations.

Reliability

In all circumstances, we strive to continually deepen our trust by providing reliable quality products and services. It is essential that these values are embedded in the behavior of employees and the people who work with them at all levels.

Respect for the Law

Kovács Kft. is committed to operating within the legal framework.

COMPANY BUSINESS ETHICS COMMITMENTS

1. Compliance with Laws

Our commitment begins with compliance with laws and regulations. We know and comply with the laws and regulations required to conduct business legally.

We will comply with all valid contractual obligations and will not abuse our rights.

Compliance with legal requirements is considered as a basic requirement.

2. Human rights and privacy

We are committed to the dignity and respect for the human rights of all people and communities with whom we come into contact in our work. We do not cause or contribute to human rights violations in any way. Our employees have a duty to treat everyone with dignity, respect and care and to uphold their human rights.

Kovács Kft is committed to respecting people's right to privacy and the confidentiality of their personal data. We only collect and store personal information that is necessary for the efficient operation of the company in accordance with the law. Our company takes preventive security measures to protect the personal information stored in our databases to avoid the risk of destruction, data loss and unauthorized access.

3. Decent employment and working conditions

We are committed to promoting equality at work and to implementing legal and fair employment and remuneration practices. We strongly oppose the direct and indirect use of child, slave or forced or compulsory labor in any form. We do not accept such activity from any of our partners. We condemn all forms of illegal, unfair or unethical employment that exploits the workforce, destroys the social security system or serves tax evasion, e.g. undeclared or "gray" work or withholding of pay.

4. Discrimination and harassment



We ensure equal opportunities in employment and do not tolerate any form of discrimination, harassment or ill-treatment. It is based on any professionally irrelevant feature or circumstance, e.g. no discrimination because of gender, marital status, age, national or social or ethnic origin, color, religion or political opinion, disability, sexual orientation, membership of a representative body, property, birth or other status shall be permitted.

Any discriminatory behavior, harassment, intimidation, violence or bullying is prohibited.

5. Fair competition, antitrust, export controls and sanctions



Our cooperation with our partners is based on trust and mutual benefits in accordance with competition law. We are committed to ethical and fair competition in the way we sell our products and services based on their quality, suitability and competitive merchandise. We make independent pricing and sales decisions and do not cooperate or coordinate with competitors in a prohibited manner. We refrain from conduct that violates the competition or the reputation of our partners or the credibility of our competitors.

We do not offer or solicit illegal payments or favors, nor do we participate in any illegal agreements aimed at excluding certain customers.

We do not allow conduct that violates fair competition during competitions and tenders.

We do not withhold payments to our partners in bad faith, illegally or unjustifiably, and we do not allow such practices in our supply chain, we fight against the unethical practice of “chain debts”.

Our employees are responsible for ensuring fair business practices in their work and for complying with all competition, consumer protection and advertising regulations. Customers and business partners must be treated fairly and equally in all cases.

Kovács Kft follows and complies with the sanctions, import and export bans and trade restrictions introduced on the international market, the aim of which is to maintain or restore international peace and security, human rights, democracy and the rule of law. We are committed to complying with all applicable trade regulations, restrictions, sanctions and import-export embargoes.

6. Anti-corruption



We strongly condemn and do not tolerate all forms of corruption. It is prohibited to offer, promise, give, solicit or accept, directly or indirectly, any unfair advantage or benefit for any purpose of obtaining a business. An unfair advantage or benefit can be money, a cash substitute (e.g., a voucher), a gift, a line of credit, a discount, a trip, a personal advantage, accommodation, or a service. Corruption also involves trading in influence when someone gives the impression that they are unfairly influencing a decision maker.

Corruption is a serious abuse, whether for business or other economic gain. Likewise, accepting a bribe or allowing another to accept a bribe is a serious offense.

7. Confidentiality, information security, trade secrets and intellectual property protection



We are committed to ensuring the completeness, confidentiality, and availability of our business information, and we use appropriate technical security solutions that all of our employees are responsible for maintaining. A trade secret includes any information that has not yet been disclosed and would be detrimental to the company or its customers or business partners if it became available to unauthorized persons. All of our employees are required to keep such information confidential. All rules for information security must always be followed.

We respect the intellectual property of others. We do not obtain or seek to obtain trade secrets or other protected or confidential information through improper means. We do not engage in any unauthorized use, copying, distribution or modification of protected intellectual property.

8. Accounting, fair reporting and financial integrity



We maintain and compile our books, records, accounts and financial statements in sufficient detail to give a true and fair view of our transactions. We condemn all forms of money laundering, so we are committed to entering into economic relationships only with partners who conduct legitimate business from legitimate sources.

We are committed to fair taxation and refrain from any tax avoidance practices such as failure to obtain a receipt or account, or the settlement of false municipal accounts.

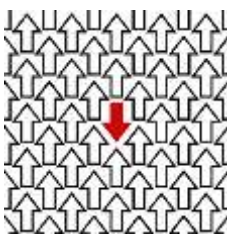
9. Fraud, Counterfeit Parts



Fraud or fraudulent conduct, that is, fraud, theft, deception, or lying, is unethical and punishable. All forms of fraud (including, but not limited to, false accounts, forgery or alteration of certificates or financial records, misuse or theft of corporate assets, or false entries in financial or non-financial records or reports) are prohibited.

We reject the use of counterfeit parts or any form of participation in production.

10. Conflict of interest



Our decisions must be based on objective and fair consideration and avoid the possibility of unfair influence. A “conflict of interest” may arise if the personal interests of an employee (which may be related to friendship or family relations, a relationship with a customer, competitor, supplier or subcontractor) conflict or potentially conflict with the interests of Kovács Kft. Assessing whether a conflict of interest exists is often not easy to judge, so anyone who has a conflict-of-interest question should consult with management.

11. Data protection, protection of personal datas



We respect everyone’s privacy rights and recognize the need for our customers, employees and other individuals to be sure that their personal information is handled properly for legitimate business purposes only. We are committed to complying with data protection laws. We only collect and process personal information that is necessary and provide appropriate information to those concerned about these activities. We ensure the confidentiality, completeness and availability of personal information through appropriate information security measures.

12. Our position on political activities



Kovács Kft. does not want to participate directly in political activities, it does not formulate political goals.

Kovács Kft. does not sponsor or support political programs, parties and similar organizations or events organized by them, and does not donate for such purposes. Kovács Kft. Recognizes the right of its employees to take part in political activities and does not prohibit them from engaging in political activities. At the same time, they may not engage in political activities on behalf of Kovács Kft. or in a manner contrary to the interests of Kovács Kft.

13. Public Participation



The social and public activities and manifestations of the employees must not violate the ethical principles of Kovács Kft., nor may they endanger the reputation of the company. The employees of the company must make it clear that they make their statements and actions as private individuals, as a result of which it is not permitted to use signs, symbols or any element of the corporate image referring to Kovács Kft.

14. Use of social media



Social media, with the help of various internet-based electronic devices, has now become an integral part of most of our lives. As a company, Kovács Kft. uses the opportunities provided by social media for corporate communication, however, only in the form and through channels approved by the company's management, in compliance with the provisions of this Code of Business Ethics.

HOW TO REPORT ABUSES

If an employee, contract employee or business partner becomes aware of an act that violates the provisions of the Code of Business Ethics of Kovács Kft. anonymous reports will only be investigated by the company if there is a suspicion of serious ethical misconduct.

The notifications are investigated by the officials of Kovács Kft. in all cases. To this end, the management of the company sets up an ad hoc ethics committee, and the management of the company plays a supervisory role in the committee conducting the investigation. HR acts as a mediator between stakeholders.

At the request of the applicant, the management of Kovács Kft. treats its data secretly, but the applicant must co-operate with the committee investigating the case when investigating the given case. In all cases, the management ensures that the person of the applicant is not disadvantaged or retaliated against for the performance of his / her duties, therefore all employees involved in the investigation of the application are obliged to maintain the confidentiality of the application.

PENALTIES FOR VIOLATIONS OF THE DIRECTIVES

At Kovács Kft. ethical misconduct is a serious misconduct. Committing an ethical violation means violating the contractual obligations of the employees towards Kovács Kft.

In such cases, Kovács Kft. initiates disciplinary proceedings against the employees, taking into account the possibilities provided by the Labor Code and other related legal regulations, the result of which may even be the termination of the employment or contractual relationship.

Kovács Kft. initiates proceedings against the independent supplier and its employees on the basis of the supplier contract and related legislation. This can result, for example, in damages, but even in the termination of the contract.