

BUDAPESTI ERŐMŰ ZRT.
CODE OF ETHICS

One of the basic components of the success and appreciation of Budapesti Erőmű Zártkörűen Működő Részvénytársaság (**the Company**) is the human factor: the conscious work of well trained and committed employees, their ability to adapt to the constantly changing environment, but also ethical behaviour which is among the important qualities and guarantees for sustainably successful operation and respect of the Companies' values.

I. THE BUDAPESTI ERŐMŰ ZRT. UNDERTAKES TO:

Ensure the health and safety

of those affected by its activity; as well as the safety of its installations and work.

Protect the environment

by managing risks and reducing the impact of its activity on individuals and nature.

Develop the competences

of its employees, recognise their contribution, review the quality of their life at work and maintain a constructive dialogue with them and their representatives.

Prevent discrimination and harassment

discourage and deal with any situation of injustice or discrimination in the workplace, as well as any situation of bullying, violence or harassment.

Respect the beliefs and opinions

of others as well as political and religious organisations without providing support to any one in particular.

Fight against fraud and corruption in all their forms.

Listen to its stakeholders

employees, customers, suppliers, shareholders, associations, public authorities and the trade union, and provide them with all relevant information due to them.

Act on ethical way

not to ask its employees to act in a manner that is contrary to the Company's ethical commitments and values, internal policies as well as decrees and laws being in force.

Guarantee the right to report concerns

to every employee faced with a situation contrary to the Company's ethical commitments and values, the right to, confidentially and without risk of reprisals, even anonymously alert his/ her management or the Internal Audit Department (belsoellenor@bert.hu).

II. EACH EMPLOYEE OF BUDAPESTI ERŐMŰ ZRT. UNDERTAKES TO:

Respect the individual

- Respect individuals and their rights, and refrain from any behaviour of intolerance, discrimination or violence (either physical or mental).
- Base his/her professional relationships on listening, dialogue, confidence and team spirit.
- Work in accordance with health and safety rules.
- Respect and protect the private life of his/her colleagues, customers or third parties and follow the procedures for protecting personal data established in accordance with related regulations.
- Use his/her freedom of expression in the company without harming the values, safety and activity of the Company. Do not express his / her opinion concerning political and/or religious issues at his/her workplace and furthermore does not force anyone to do so.
- The Company is committed to the protection of human rights, and all its employees shall have a right for the presumption of innocence.
- It is highly important for the Company that during their day-to-day activities, its employees listen to and mutually respect each other in their day-to-day relations, demonstrating confidence and recognition for each other. Furthermore, each colleagues shall comply with the rules of normal social contact in their daily work.

Act with integrity

- Adopt zero tolerance with regard to fraud and corruption in all their forms.
- Declare, according to the relevant procedure within the Company, to his/her manager or the Internal Audit Department (belsoellenor@bert.hu) any risk of conflict¹ between his/her personal interest (or that of those close to him/her) and the interest of the Company.
- Not use privileged information obtained in the course of his/her professional activity for personal ends.

Protect the Company's assets

- Respect the Company's property and assets (both tangible and non-tangible), endeavouring to ensure the best use of them at the lowest cost and preventing any unauthorised use, or use that conflicts with the interests and the values of the Company.

¹ The employees of the Company shall not have any direct or indirect interest in any company or organization if it is a competitor or supplier of the Company and if the activities of the concerned employee in that organization may impair his abilities, and may hinder his unbiased and objective performance, with regard to his professional tasks.

- Respect the prescribed limits on using the Company's professional means of communication for personal use and not to issue any unlawful or offensive communications, images or text, which is defamatory or which is disrespectful to any individual.
- Handle information that he/she holds responsibly and within the framework of his/her work and to respect the Company's rules with regard to security and confidentiality, particularly regarding sensitive data.
- Adopt a responsible attitude in the use of all media, particularly social networks, by not distributing any information that could harm his/her security, that of his/her colleagues as well as the interests of the Company. During the activities of employee's organisations, those colleagues' announcements will be taken as exceptions into consideration who have authorization for communication in case of labour conflicts.

Respect the Company's stakeholders

- With regard to customers, to act with honesty and fairness, by responding to their needs, by ensuring the quality and the safety of the product or service sold, and by respecting the rights of consumers.
- With regard to suppliers and service providers, to act with honesty and impartiality and within the framework of their contract, ensure the shared respect of the Company's values and commitments.
- With regard to the public authorities, adopting a fair, responsible and transparent approach to influencing and lobbying, at all times complying with the rules of the Company, and at no time engaging in any practice comparable to corruption or bribery.

III. MANAGING PROCESS OF REPORTED ETHICAL CASES AT THE COMPANY

- Ethical violation shall be reported (even anonymously as well) by the employee either to his/her direct manager or to the Internal Audit Department (belsoellenor@bert.hu).
- Operating rules of the Board of Ethics are defined and regulated in the Procedure approved by the Chief Executive Officer.

Dated: 18 April, 2016, Budapest

Approved by:



András Vinkovits

Chairman and Chief Executive Officer