

## Code of Conduct

### Company Statement

Inno-Comp Group's Business Conduct and Compliance Policy prescribes certain values and principles. It is not meant to cover all possible situations which may occur. It is a frame of reference against which to measure any activity. It is the ultimate responsibility of every employee to "do the right thing". This responsibility cannot be delegated.

The Inno-Comp Group (Inno-Comp) is governed by integrity, honesty, fair dealing and full compliance with all applicable laws and ethical standards. Our employees live this commitment in their everyday responsibilities.

The following policies are in force for all entities which are part of the Inno-Comp Group and in which it holds a majority interest. Currently, the policies are available in the English, Hungarian, Czech and German languages. In case of differences the Hungarian version prevails.

Inno-Comp Kft. is a company registered in Hungary and abides by all laws, rules and regulations of Hungary.

Inno-Comp Bohemia s.r.o. is a company registered in the Czech Republic where it abides by all laws, rules and regulations of the Czech Republic.

Inno-Comp Deutschland GmbH is a company registered in Germany where it abides by all laws, rules and regulations of Germany.

Our employees should always be guided by the following basic principles:

- *act legally and honestly*
- *act with integrity*
- *avoid any conduct that could damage or risk Inno-Comp's reputation*
- *put Inno-Comp's interests ahead of personal or other interests.*

Inno-Comp expects its business partners, suppliers and customers to apply the same principles. In case breaches of the Corporate Policies are found at a business partner, supplier or customer, Inno-Comp will persuade the counterpart to undertake corrective action. If this is not done within a reasonable time, Inno-Comp will stop the business relationship.

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### ***Working with Business Partners***

Inno-Comp as a company expects its suppliers, customers and other business partners to share its values and comply with all applicable laws. Furthermore, we expect our suppliers, customers and other business partners to act in accordance with the following principles:

- prohibit corruption,
- respect basic human rights of employees,
- comply with laws prohibiting child labor,
- take responsibility for the health and safety of their employees,
- act in accordance with applicable statutory and international standards regarding environmental protection.

### ***Compliance with Laws, Rules and Regulations***

Inno-Comp and its employees always obey the law. Compliance with all applicable laws and regulations must never be compromised. Internal company-specific rules shall be adhered to. They may go beyond what is required by law.

### ***Principles Regarding Competition and Confidential information***

All employees, but especially those who are involved in marketing, sales and purchasing, or who are in contact with competitors, have a responsibility to ensure that they are familiar with applicable competition laws.

Inno-Comp and its employees will be in full compliance with all applicable antitrust, competition and fair dealing laws. We adhere to the following rules:

- Commercial policy and prices will be set independently and will never be agreed, formally or informally, with competitors or other non-related parties, whether directly or indirectly
- Customers, territories or product markets will never be allocated between Inno-Comp and its competitors but will always be the result of fair competition;
- Customers and suppliers will be dealt with fairly.

Confidential information consists of any information that is not or not yet public information. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data. Unless required by law or authorized by their management, employees shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of

employment. Furthermore, employees must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.

### ***Principles Regarding Conflicts of Interest, Fraud, Bribery and Corruption***

Employees shall not be influenced by receiving favors nor shall they try to improperly influence others by providing favors. Employees may only offer or accept reasonable meals and symbolic gifts which are appropriate under the circumstances, and they shall not accept or offer gifts, meals, or entertainment if such behavior could create the impression of improperly influencing the respective business relationship.

No employee shall offer to or accept from any third party gifts taking the form of any of the following, whatever the value involved:

- money
- loans
- kickbacks
- similar monetary advantages

Employees must never engage in fraudulent or any other dishonest conduct involving the property, assets or the financial reporting and accounting of Inno-Comp or any third party. This may not only entail disciplinary sanctions but also result in criminal charges.

Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

Employees must be aware that election laws in many jurisdictions generally prohibit political contributions by corporations to political parties or candidates.

### ***Principles Regarding the Respect for Human Rights***

Inno-Comp respects Human Rights standards set by the European Union and the United Nations. In case national law or international human rights standards differ, Inno-Comp will follow the higher standard. In case they are in conflict, Inno-Comp will adhere to national law while seeking ways to respect international human rights standards to the greatest extent possible.

### ***Principles Regarding Discrimination and Harassment***

We respect the personal dignity, privacy and personal rights of every individual and are committed to maintaining a workplace free from discrimination and harassment. We support cultural diversity and the development of an international team. Therefore, employees must not discriminate on the basis of origin, nationality, religion, race, color, creed, sex, age, social origin or status including indigenous people, migrants or minorities, physical or mental disability, political opinion or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

These principles apply to both internal cooperation and conduct towards external partners. We make decisions about those we work with – including personnel, suppliers, customers and business partners – based only on appropriate considerations, not on the basis of inappropriate considerations such as discrimination or coercion.

We proactively fight intolerance, harassment and discrimination. We expect our business partners to apply the same principles.

### ***Principles Regarding Forced or Compulsory Labor and Human Trafficking***

Inno-Comp ensures that no forced, bonded or involuntary prison labor, military labor, slave labor or any form of human trafficking is used in the production of its products. All terms of employment are voluntary.

Inno-Comp's business partners shall not tolerate any form of forced or compulsory labor or any form of human trafficking.

### ***Principles Regarding Child Labor***

Child labor is not used. Inno-Comp's production and service sites respect the national laws. Inno-Comp does not permit its under-age employees to carry out any hazardous work.

Inno-Comp also expects its business partners to strictly reject child labor and observe the laws on the prohibition of child labor. In case any incident of child labor is identified at a supplier, customer or other business partner, the relevant entity shall participate in a program to transfer any children involved in child labor into quality education until they are no longer children.

### ***Principles Regarding Working Conditions***

Inno-Comp follows the European Pillar of Social Rights of the European Commission as stipulated in Chapter II, the rules of ILO and the rules of the United Nations. Inno-Comp respects national legislation and collective agreements.

Workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. Workers have the right to fair wages that provide for a decent standard of living. Workers have the right to be informed in writing at the start of employment about their rights and obligations resulting from the employment relationship, including a probation period. Prior to any dismissal, workers have the right to be informed of the reasons and be granted a reasonable period of notice. They have the right to the access of effective and impartial dispute resolution and, in case of unjustified dismissal, a right to redress, including adequate compensation.

Parents and people with caring responsibilities have the right to suitable leave and flexible working arrangements. Women and men shall have equal access to special leaves of absence in order to fulfill their caring responsibilities and be encouraged to use them in a balanced way.

Workers have the right to a high level of protection of their health and safety at work. Workers have the right to a working environment adapted to their professional needs and which enables them to prolong their participation in the labor market. Workers have the right to have their personal data protected in the employment context.

### ***Principles Regarding Wages and Benefits***

Wages paid for regular working hours, overtime hours and allowances shall meet or exceed legal minimums and/or industry standards. National work laws and collective agreements are adhered. Illegal or unauthorized deductions from wages will not be made. Deductions from wages as a disciplinary measure are forbidden unless this is permitted by national law and a freely negotiated collective bargaining agreement is in force. Inno-Comp ensures that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered in a manner convenient to the employees.

### ***Principles Regarding Freedom of Association and Collective Bargaining***

Inno-Comp respects the employees' right to join, form or not to join or form a labor union without fear of reprisal, harassment or intimidation. In case employees are represented by a legally recognized union, Inno-Comp will guide a constructive dialogue with the freely chosen representatives.

### **Principles Regarding Counterfeit Parts and Material**

Inno-Comp is committed to not knowingly buy counterfeit parts and materials and, in general, we trust our suppliers to not introduce counterfeit parts and materials into our product cycle. However, we maintain a strict approval process of parts and materials purchased. We only buy products from suppliers known to us.

### **Principles Regarding Intellectual Property**

Inno-Comp is committed to protect its own intellectual property (IP), as well as our business partner's IP. Intellectual property comprises trade secrets, patents, trademarks, copyrights and other similar information. It is the responsibility of every employee to help protect the IP. Managers and employees should not disclose company proprietary or confidential information to third parties with whom Inno-Comp is doing business, such as suppliers, customers, service companies and any other business partners. Inno-Comp does not misuse the intellectual property rights owned or maintained by another party. We comply with the laws regulating IP and industrial espionage. Before entering into disclosures with other parties, confidentiality agreements must be signed by top management.

### **Principles Regarding Export Controls and Economic Sanctions**

Inno-Comp acts in compliance with the policy of the European Union to intervene when necessary to prevent conflict or respond to emerging or actual crises ("restrictive measures" or "sanctions"). We do not knowingly conduct business with any person or entity subject to UN or EU economic sanctions.

### **Principles Regarding Privacy, Protection of Identity and Non-Retaliation**

We adhere to the European Union's General Data Protection Regulation (GDPR). We aim to protect all personal data we process or hold in compliance with the GDPR. Inno-Comp only processes or holds personal data for purpose of the business arrangement. Personal data is not forwarded to any third party without the agreement of the affected person.

Every employee has the right to report a suspected wrongdoing. The disclosure of any information collected before, during or after the subsequent investigation regarding the suspected wrongdoing and individuals involved is prohibited, the investigators are bound by confidentiality.

### **Principles Regarding Environment, Sustainability and Safety**

Protecting the environment and conserving natural resources are high priorities for our company. Through management leadership and employee commitment, we strive to conduct our operations in a manner that is safe for the environment and continually improve environmental performance. We strive

to create a culture of environmental awareness and responsibility to encourage innovation and development of new products designed to minimize or eliminate the carbon footprint. Beginning at the product development stage, environmentally compatible design, technical safety and health protection are fixed as targets. Inno-Comp's environmental targets are reviewed biannually.

### **Principles Regarding the Responsible Sourcing of Raw Materials**

Inno-Comp does not use any critical materials according to the list published by the European Commission. Adaptations to said list are monitored closely. However, we fully commit to a responsible use of resources.

All employees must contribute to these goals through their own behavior.

Tiszaújváros, September 04, 2019



Péter Torma  
Managing Director