
INA GROUP CODE OF ETHICS

Contents

1 OBJECTIVE OF INA GROUP'S CODE OF ETHICS	4
2 CODE OF ETHICS.....	4
3 SCOPE OF APPLICATION	5
4 AUTHORISATIONS AND RESPONSIBILITIES.....	6
5 INA GROUP ETHICAL VALUES.....	6
6 PRINCIPLES OF ETHICAL BUSINESS CONDUCT.....	7
6.1 Sustainable Development.....	7
6.2 Human Rights.....	7
6.2.1 Health, safety, environment (HSE) and security.....	8
6.2.2 Equal treatment and opportunities.....	9
6.2.3 Dignity and mutual respect	9
6.2.4 Protection of privacy	10
6.2.5 Fair labour practices.....	10
6.3 Free and Fair Trade and Competition.....	10
6.3.1 Fair competition	11
6.3.2 Compliance with import-export controls, restrictions and sanctions	11
6.4 Anti-Corruption and Anti-Fraud.....	12
6.4.1 Bribery and corruption.....	12
6.4.2 Gifts and hospitality	13
6.4.3 Fraud	14
6.4.4 Money laundering.....	14
6.4.5 Insider trading and market manipulation.....	14
6.4.6 True reporting and integrity of business processes	15
6.5 Corporate Loyalty.....	15
6.5.1 Avoiding conflict of interest	15
6.5.2 Protection of company assets.....	16
6.5.3 Protection of business secrets, business information	16
6.5.4 Protection of intellectual property.....	17
6.5.5 Data security, digital systems.....	17
6.6 Trustful Business Relations and Responsible Stakeholder Relations	18

6.6.1 Business partner relations and communication.....	18
6.6.2 Engagement with local communities	18
6.6.3 Our stance on political activity	18
6.6.4 Governmental relations and advocacy.....	19
6.6.5 Social investment, sponsorship and donations	19
6.6.6. Public disclosure, social media and media relations	19
7 POSING QUESTIONS AND EXPRESSING CONCERN	20
8 ETHICAL PROCEDURES	21
8.1.1 General Provisions	21
8.1.2 Objective of Ethical Procedures	21
8.1.3 Deadlines.....	21
8.1.4 Confidentiality.....	22
8.1.5 Parties’ Behaviour	22
8.2 Responsibilities and Powers of INA Group’s Ethics Council.....	22
8.3 INA Group’s Ethics Council Activities	22
8.4 Initiating Ethical Procedures.....	25
8.5 Rules Applicable During Ethical Investigation Procedures.....	27
9 RELATED DOCUMENTS	29
10 FINAL PROVISIONS	29

1 OBJECTIVE OF INA GROUP'S CODE OF ETHICS

INA Group's Code of Ethics (hereinafter: Code) was drawn up and passed to provide all internal and external stakeholders (hereinafter: stakeholders) with an overview of the ethical norms which INA, d.d. and all companies in which INA, d.d. holds a majority share, majority voting rights or a direct or indirect controlling influence (hereinafter: INA Group companies) consider to be essential to their successful operations, both within and outside INA Group companies.

The Code is based on respect for fundamental human rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and responsibility.

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

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

2 CODE OF ETHICS

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

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

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

The Code was adopted to promote an organizational culture and cooperation which encourage ethical conduct both within and outside INA Group companies.

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

- The Code does not foresee or offer guidance on every possible situation, nor does it cover all topics in detail. Should stakeholders have any doubts on how to assess a given situation, they should seek practical instructions. The manner in which guidance is sought is described in chapter 7 of the Code;
- laws and/or other regulations applicable to INA Group companies (hereinafter: "rules") also govern and establish requirements in relation to certain topics established by the Code; accordingly it is important and required that stakeholders are aware of and act in compliance with this rules;
- merely reading this Code will not substitute for acting in compliance with the rules;
- the Code does not necessarily contain all norms that apply to any specific type of conduct. Should the law permit that an issue is regulated differently and should the Code regulate an

issue differently, the provisions of the Code shall apply. An exception from above Code application, especially if the Code governs the issue in question more restrictively than the law, may only be the application of the most favourable 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 7 of the Code.

3 SCOPE OF APPLICATION

The Code obligates all employees and other natural persons who are authorized as Management Board members, L2 managers or in any other capacity according to special laws to conduct business individually and independently or jointly and as a group and who are employed and/or work in INA Group companies (hereinafter: employees of INA Group companies) in which the Code was passed, where it is in effect and is applicable as one of the labour relations bylaws.

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

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

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

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

- setting a personal example through their own ethical conduct;
- undertaking everything to ensure the Code is known to all stakeholders it obligates and for its requirements to be thoroughly clarified and correctly understood;
- continuously monitoring compliance with ethical principles amongst internal stakeholders;
- ensuring compliance with the rules set forth in the Code and other INA Group bylaws;
- supporting employees who raise issues related to the provisions of the Code or who report Code breaches in good faith. Managers are obligated to ensure that such employees won't be put in an unfavourable 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 addresses the most important ethical norms of stakeholders of INA Group companies.

4 AUTHORISATIONS AND RESPONSIBILITIES

The Management Board of INA, d.d. is responsible for the adoption, revision and withdrawal of INA Group's Code of Ethics.

The Human Resources of INA, d.d. is responsible for giving operational support to the operating director in the process of creating, monitoring the application and maintaining this document.

INA Group managers, management boards of INA Group companies and managers of organizational units in INA, d.d. and INA Group companies are responsible for the application of INA Group's Code of Ethics within the scope of their competence.

5 INA GROUP ETHICAL VALUES

LAW ABIDING.

INA Group is determined to operate in good faith, within the appropriate legal framework. We obey rules, regulations and the law, including legislative requirements, industry codes and organisational standards relating to our business activities. We view regulatory measures as a baseline. Our ethics go beyond legal compliance, integrating standards of good corporate governance, best practice and community expectations.

RESPONSIBILITY.

INA Group takes responsibility for the impact of its operations and considers the needs and expectations of our internal and external stakeholders, including our colleagues, shareholders, business partners, suppliers, joint ventures partners, customers, competitors, governmental and political stakeholders, non-governmental organisations (NGOs) and local communities. Embracing the Sustainable Development approach, we act responsibly in an economically, socially and environmentally aware manner.

INTEGRITY.

We can earn the trust of others through integrity, which means consistency between thoughts, words and actions. This includes promoting professional ethical standards before individual or even organisational goals. Maintaining integrity often requires moral courage, strength to do the right thing, to live by ethical principles despite great pressure to do otherwise.

RESPECT FOR OTHERS.

We treat everyone with respect. We respect human dignity, autonomy, privacy, rights and the interests of all. We adhere to the Golden Rule, striving to treat others the way we would like to be treated. Respect is the basis of our team spirit and partnership.

HONESTY.

We are honest in all communications and actions. We are resolute that honesty is the cornerstone of mutual trust, on which to build and protect INA Group's good reputation and company morale. We are loyal to the organisation and the people we work with, within the framework of other ethical principles.

FAIRNESS.

We are fair and just in all dealings including competition. We are committed to justice, the equal treatment and opportunity of individuals and business partners, tolerance for and acceptance of

diversity. Our relations are based on mutual trust and respect, and we are fair with our business partners.

CARING.

We understand the stakeholder concept in a broad approach and always strive to consider business, social, environmental, health, physical and emotional consequences of actions on all stakeholders. We seek to accomplish business objectives in a manner that causes the least harm and the greatest positive good in our Group, in our value chain, in our communities and in society and the environment at large.

RELIABILITY.

We pursue excellence at all times in all things and constantly endeavour to increase proficiency and trust delivering reliable quality of products and services. It is essential to embed our values in the behaviour of the people working for and with our organisation at all levels. We are determined to keep our agreements and we make every reasonable effort to comply with the letter and spirit of our promises and commitments.

ACCOUNTABILITY.

We strive to be transparent and accountable. Acknowledge and accept corporate and personal accountability for the ethical quality of our actions and operations. All directors and employees are required to comply with our Code of Ethics. If we know or suspect someone is violating our values, we have the duty and the courage to speak up.

6 PRINCIPLES OF ETHICAL BUSINESS CONDUCT

6.1 Sustainable Development

INA Group is committed to Sustainable Development (SD), we meet current requirements without compromising the needs of future generations. To accomplish this, we combine economic, environmental and social factors and make decisions in order to maximise long-term stakeholder value and safeguard our license to operate.

SD involves the proactive management of risks and opportunities related to long-term economic, environmental, and social issues.

That is why we:

- Apply the principle of sustainability in everyday operations;
- Continuously provide relevant information to the society and the stakeholders;
- Develop processes enabling INA Group to improve its operations in conformity with the best international practice and with regular evaluation of sustainability issues.

6.2 Human Rights

We at INA Group are committed to respecting the human rights of every stakeholder and we ask that they in turn respect the rights of others. These rights cover a range of civil, political, economic, social and cultural rights including but not limited to the:

- Right to Human Dignity;

- Right to Life;
- Liberty and Security of the Person;
- Right to the Highest Attainable Standard of Health;
- Right to Just and Favourable Conditions of Work;
- Rights to Fair Wages and a Decent Living;
- Right to an Adequate Standard of Living;
- Right to Form and Join a Trade Union and Right to Collective Bargaining;
- Freedom from all forms of Forced or Compulsory Labour;
- Freedom from Child Labour;
- Freedom from Discrimination;
- Freedom of Opinion.

Respecting human rights includes but is not limited to compliance with corporate policies, applicable laws and regulations, engagement with stakeholders and contributing to the general wellbeing of communities and the society within which we operate.

Our goal is not only to uphold human rights, but to actively promote them throughout our value chain and contribute to a positive impact on society with respect to human rights. We support the protection of human rights and condemn human rights abuses in any form.

We assure the respect of human rights by assessing the impact of our actions. We place a special focus on our workers, suppliers and local communities as well as on vulnerable groups of indigenous people, women, national or ethnic, religious and linguistic minorities, children, persons with disabilities and migrant workers and their families.

We place a particular focus on the security service providers who act on behalf of INA Group, in order to prevent any human rights violations during the performance of their activities.

We place importance on the provision of an effective remedy to any impact on human rights that may occur, through a company-based grievance mechanism.

6.2.1 Health, safety, environment (HSE) and security

We are aware that INA Group, as a major energy company faces high risks with regard to safety which can have a direct and indirect impact on the environment. Therefore, an increasingly rigorous legal approach, along with aspects of stakeholders' and investors' expectations, influences what is deemed to be an appropriate management of risks.

As we respect human rights, we are committed to avoiding harm to people, compromising or damaging the environment and to reducing HSE risks arising from our activities. We are committed to create safe working conditions and continuously improve our performance in environmental management, with technically sound plant and equipment, competent people and an active HSE culture.

In line with this commitment:

- We conscientiously act on environmental issues by sponsoring comprehensive programmes to protect nature around our worldwide operation;

- In all of our activities we adhere to all applicable technological and ecological guidelines;
- We promote the acceptance of the most stringent policies and standards designed to minimise the risk of adverse effects on the environment;
- We provide all persons acting on our behalf, employees and those carrying out activities at our premises with our permission, with a safe and secure work environment, where no one is exposed to unnecessary risk;
- We provide the public and workers with adequate, measurable, verifiable and timely information on the potential environmental, health and safety impact of the activities of INA Group;
- We implement environmental protection and health development programmes for our employees and communities in all the regions in which we operate;
- We encourage the development and deployment of environmentally friendly technologies;
- We report HSE and SD performance publicly and regularly.

We are committed to assure the security of individuals on our premises and secure INA Group assets, including the protection of employees, technologies, physical assets and information related to INA Group business and its reputation against security threats.

6.2.2 Equal treatment and opportunities

We at INA Group are committed to combatting discrimination in all areas of the workplace, throughout our supply chain and in society as a whole.

INA Group understands the value of diversity. Our employees, customers, business partners, suppliers and other external stakeholders are citizens of many different countries with many different nationalities, faiths, religions, beliefs, culture or social origins. We support cultural diversity, the creation of an international team and business community.

INA Group is committed to prohibiting and preventing discrimination of any kind, such as but not limited to discrimination based on race, colour, gender, age, language, religion, political or other opinion, ethnic or national or social origin, property, birth, sexual orientation or any other status including matrimonial or parental status, and to providing equal opportunities to everyone, based on merit, except when particular professional ability can justify selection.

To this end INA Group will not tolerate unlawful discrimination and operates diversity and inclusion programmes, which are publicly available on INA Group websites.

6.2.3 Dignity and mutual respect

We at INA Group are committed to providing a work environment based on mutual trust in which everyone working for and with INA Group is treated with dignity and respect.

There is a fiduciary relationship between INA Group and all internal and external stakeholders who have contact with INA Group, and we therefore treat them with respect and expect our stakeholders to act in the same manner.

INA Group will not tolerate harassment or any other action, conduct or behaviour that is humiliating, degrading, offensive, intimidating or hostile. Everyone at INA Group, in our supply chain and our wider communities is entitled to be treated with courtesy and respect.

Sexual harassment and defamation or slander, are considered serious violations of human dignity.

6.2.4 Protection of privacy

INA Group is committed to respecting people's privacy and keeping their personal information confidential. We will only acquire and keep personal information that we need in order to operate our company effectively, which is in compliance with the law.

INA Group undertakes to adopt preventive security measures for storing personal data on databases, in order to avoid any risk of destruction and loss or unauthorised access.

6.2.5 Fair labour practices

Human resources are the most important resources of INA Group. INA Group is committed to the development of employees and ensuring a good work-life balance. We are committed to lawful and fair employment and to respecting labour principles. We also expect the same from our business partners and external stakeholders.

INA Group will not tolerate any form of forced, compulsory, bonded or child labour or any other kind of unethical employment practice such as withholding wages, denying sick leave or daily rest, abuse of alternative employment forms or evasion of health care contributions. We ensure that these forms of labour and slavery and human trafficking do not take place within our business and supply chains.

INA Group is committed to the implementation of a fair employment and remuneration policy in line with applicable laws. We are committed to supporting employees with special needs. Disciplinary procedures are exercised in a fair, unbiased and transparent manner. Redundancies are handled in a humane manner and wherever possible, process assistance is provided to former employees.

INA Group recognises and upholds the freedom of association, the right to form and join a union and the right to collective bargaining.

6.3 Free and Fair Trade and Competition

INA Group is dedicated to fair marketing behaviour. Endeavours in the market are conducted in accordance with fair competition and in the spirit of and in accordance with the letter of the law. INA Group takes the view that full compliance with competition law rules and market regulations is not just a legal obligation, but it is core to the business culture.

6.3.1 Fair competition

Competition provides the best incentive for efficiency. It encourages innovation and guarantees the best options for consumers to select the best price. While we compete in many of our business activities, it is conducted in accordance with the norms of fair competition and in conformity with applicable competition laws. Fully complying with competition law is not only a legal obligation but is related to attitudes and cultures that can have a positive impact on business.

We at INA Group respect our competitors, we do not engage in any kind of unfair conduct which could wrongfully damage competitor good will or reputation and we collect competitor information strictly as permitted by law.

Anti-competitive practices are unacceptable and are not tolerated, and are also illegal in most countries, bearing the risk of high fines. Competition laws prohibit a variety of practices that restrict free and fair competition, such as illegal agreements among competitors or abusive conduct designed to achieve or maintain a monopoly.

INA Group pays particular attention not to conclude any kind of cartel agreements or undertake practices agreed in concert with competitors, directly or indirectly, with a view to price fixing, or effecting share markets, production or sales quotas.

We do not misuse our market position and we commit ourselves to creating equal conditions for all of our business partners.

INA Group considers membership of professional associations as a communication channel with regulators and authorities while respecting the legal obligations of competition law. Professional associations are not a forum within which to align strategies, divide markets, harmonise pricing or do anything that breaches anti-trust regulations. INA Group co-operates with its competitors only in the execution of their mutual social and environmental responsibilities. INA Group will seek these opportunities to voice our ethical commitments.

6.3.2 Compliance with import-export controls, restrictions and sanctions

INA Group undertakes to comply with and make all efforts to follow all applicable rules and legally mandated trade controls and restrictions.

Sanctions and import-export embargos mean trade restrictions against specified countries, territories, persons, groups or entities with the aim of maintaining or restoring international peace and security, upholding respect for human rights, democracy and the rule of law. Such sanctions give legal prohibitions or restrictions over the sale, purchase, transfer or disclosure of goods, funds, services, software or information.

Breaking the rules of trade controls and restrictions may result in severe consequences, including seizure of goods or funds involved, significant criminal and civil fines, loss of export privileges, void contract agreements and even imprisonment.

The sanctions and embargoes environment is complex, volatile and dynamic with international legislation subject to change without notice. It is essential to be aware of such restrictions and seek professional advice if any intended transaction or conduct is subject to question or doubt in this regard.

6.4 Anti-Corruption and Anti-Fraud

INA Group does not engage in and does not tolerate corruption in any form (including bribery, facilitation payment, kickback, extortion, misuse of authority for personal gain, undue benefits or gifts with the intent to influence), whether in the private or public sector on any scale. We maintain this view, even if our commitment to this policy places INA Group in a non-competitive business position, or if speaking up against such activity results in INA Group losing business. Throughout our entire value chain, within our social patronage, charity and sponsorship fields, we are committed to a zero-tolerance policy when it comes to corruption & bribery.

Fraud, including the falsification of records of financial or non-financial information, money-laundering and insider dealing are prohibited.

It is our collective responsibility to create and maintain a company culture throughout the entire value chain that encourages people to take action when bribery, corruption or fraud is suspected or observed, without fear and in an environment that does not tolerate retribution. INA Group operates an anti-corruption and anti-fraud processes which aims to reduce the risk of fraud and highlight prohibited behaviour.

6.4.1 Bribery and corruption

Corruption is the wrongful use of influence to procure a benefit for the actor or for another person. Corruption includes:

- Offering, promising, giving or soliciting anything of value or favour to government officials, private individuals or third parties with regards to their relations to officials or decision makers in order to wrongfully influence them to gain a business advantage (active bribery).
- Unlawfully asking, demanding, accepting or receiving anything of value or favour to provide an advantage in any form in return or as a condition of fulfilling duties or influencing a third party to do so (passive bribery).

Indirect bribery includes contributions to intermediaries such as scholarship funds, charitable donations or payments to entities providing the corrupted party with a direct or indirect benefit. Indirect bribery can include an intermediary third party (e.g. agent, broker, distributor or representative) committing any of the aforementioned wrongful acts on behalf of or for the benefit of INA Group.

Corruption also covers the misuse of function or position by pretending to unlawfully influence someone and by this deception request or receive unlawful advantage or accept a promise of such an advantage.

INA Group does not tolerate corruption in any form. We are committed not to enter into or to terminate business relations with anyone engaged in corrupt practices. Nobody shall suffer demotion, penalty or other negative consequences for refusing to pay or accept bribes even if it may result in the loss of business.

Breaching anti-corruption laws is a serious offence. Companies breaching these laws may be punished by fines and individuals may also face imprisonment. Companies may be liable for corrupt

practices or for an associated person's bribery by third parties if such bribery is intended to obtain or retain business advantage for the company.

We undertake due diligence when appointing agents, advisers or other intermediaries. All agreements with agents, advisers and other intermediaries require prior approval and we shall advise every intermediary on our position on condemning corruption.

We conduct procurement processes in a fair and transparent way. We undertake due diligence, as appropriate, in evaluating suppliers, contractors and sub-contractors to ensure that they have effective anti-bribery commitments and policies.

Even turning a blind eye to suspicions of corruption can result in liability for the company and for you personally.

6.4.2 Gifts and hospitality

Gifts and hospitality are items and services of value offered to or received by an individual or members of their family. Gifts include cash and non-cash items such as accessories, favourable terms or discounts on a product/service, loans, use of vehicles, travel expenses or vacation facilities, tickets and gift certificates. Entertainment or hospitality, such as business meals, recreational, cultural or sports events, etc. are also considered gifts.

We at INA Group only give or accept gifts and hospitality that are business courtesies which are neither material nor frequent and which are never meant to unlawfully influence decision-making. Gifts and entertainment are given without the expectation of return and should never affect, or appear to affect, impartial decision making by anyone. They should never be offered or received in exchange for preferential treatment in any dealing. INA Group welcomes and makes it possible for its partners to support corporate charity initiatives instead of giving gifts to employees. All charitable contributions and sponsorship should be transparent and made in accordance with applicable law, and should never be used to hide corruption.

Offering gifts or hospitality to government officials and political stakeholders requires special care. Some countries have special limitations on the value and nature of gifts and hospitality their officials can accept. Gifts and hospitality that are acceptable between business partners can be unacceptable between a business party and an official or political stakeholder, because even small gifts, meals or entertainment might be perceived as attempts to improperly influence decision-making. It is never appropriate to attempt to bias a decision by offering personal benefits to a government official or anyone else. We abide by and support laws that prohibit bribery and corruption.

The transparency and appropriateness of gifts and hospitality are especially important during bidding and tendering processes. Small value with a total gross value under 50 EUR, promotional gifts (e.g. pens, key-chains, and calendars), other business gifts, items, services, business meals, beverages and conference participation given without the intention to exert influence may be accepted without being registered as gifts.

However, any type of given or received gifts with a total gross value of or over 50 EUR must be registered and can be accepted only with the written approval of the relevant manager responsible for employer's rights. Gifts, business meals and programmed events with a value exceeding 50 EUR that are not recorded in the gifts register, may be regarded as acts of bribery. Any gift given or hospitality provided, with the intent of exerting undue influence, is considered bribery regardless of the value, whether or not it is registered.

If a gift cannot be rejected for reasons of courtesy or for practical reasons (e.g. it is already delivered and could not reasonably be sent back) the manager responsible for the INA Group company employee receiving the gift should decide on whether to give permission to keep the gift or whether to offer it to charity or as a community benefit.

6.4.3 Fraud

Fraud includes all kinds of intentional and wrongful deception. This includes, intentional false representation or concealment of a material fact for the purpose of inducing another to act, to gain an advantage which causes damage. Fraud can also occur without a deceptive element, when persons or parties collude to circumvent due processes in order to create a false appearance of real business activity or a transaction, for personal gain.

INA Group is committed to fight fraud and does not tolerate fraudulent practices. In order to safeguard INA Group values, assets and reputation, we are each personally responsible for acting in good faith, pursuant to the relevant rules and regulations and to be on the lookout for any indication of fraud. Even turning a blind eye to the suspicion of fraud can result in liability for the company and for you personally.

6.4.4 Money laundering

INA Group is committed to the highest standard of prohibiting money laundering. Money laundering is the process of concealing illicit funds or making them appear to be legitimate, so that the criminal origin or nature of the funds or assets is hidden in legitimate business activities. It also covers the use of legitimate funds to support crime or terrorism.

Legislative offences in most countries also cover the obstruction of an investigation or the failure to report the suspicion of money laundering.

We never condone, facilitate or support money laundering, which means:

- We comply with all applicable anti-money laundering laws and regulations;
- We never engage in businesses aimed at financing or supporting crime or terrorism;
- We seek solutions to minimise risks through anti-money laundering processes;
- We take reasonable and appropriate steps to identify and assess the integrity of our business partners.

6.4.5 Insider trading and market manipulation

INA Group is committed to support fair, open securities markets, inter alia the fair marketing of publicly traded securities.

Insider trading refers to the unlawful use of insider information for material gain.

‘Insider information’ means any information that is not public and is relevant, directly or indirectly related to INA Group or any other publicly traded company, their financial instruments which, if made public, would in all likelihood have a significant effect on the financial instruments’ prices.

‘Financial instruments’ include, but are not limited to transferable securities, money-market instruments, options, futures, swaps and forward rate agreements.

Insider trading is when someone in possession of insider information:

- Trades, cancels or amends an order for a financial instrument, due to the insider information for their own or for a third party account,
- Instructs a proxy to do so,
- Shares this inside information with someone who is not entitled to the information.

'Market manipulation' or 'investment fraud' is when someone spreads false information, conceals valid information or enters into sham transaction related to financial instruments or their issuer in order to manipulate prices.

6.4.6 True reporting and integrity of business processes

Records and reports are valuable company assets and must be made truly and comprehensively. We at INA Group record and report company information honestly, accurately and objectively.

Records and reports include financial data (bookkeeping) and non-financial information, such as project descriptions and results, technical details, performance evaluations, HR records, human rights information and all other information that evidences business activity, that which is required by law or is otherwise important for decision-making and to INA Group's corporate memory.

Falsifying records or misrepresenting facts can never be justified or excused. INA Group does not tolerate any kind of false reporting or concealment of facts in reports or even interpreting the same facts differently in different situations according momentary goals.

Financial or non-financial recording and reporting integrity is imperative for making good decisions, protecting our credibility and reputation, meeting our legal and regulatory obligations, meeting our responsibilities to shareholders and all external stakeholders.

Failure to manage records and reports correctly, comprehensively and effectively can raise significant business risks leading to legal consequences and causing reputational, financial and competitive disadvantages.

6.5 Corporate Loyalty

It is our responsibility to protect shareholder investments and provide long-term returns that can compete with those of other leading companies in the industry. To ensure this, we at INA Group avoid conflicts of interest. We protect the company's interests, assets, business secrets, intellectual property and we ensure data security.

6.5.1 Avoiding conflict of interest

INA Group has complex and wide scale activities, and it can be challenging for one to assess if an activity interferes with INA Group interests or not. As such, everyone is expected to seek advice in order to avoid any conflict of interests. INA Group respects the privacy of employees and does not normally take an interest in what people do outside of work. However, there is a fiduciary relationship between INA Group and its employees and other partners, whereby conflicts of interest may occur if an employee's private activities could potentially interfere with the expected loyalty to INA Group interests.

A 'Conflict of interest' occurs when a personal relationship, participation in external activities or interest in another venture influences or could be perceived to unlawfully influence decisions.

Conflict of interest situations must be avoided and employees must refrain from any action that could interfere in any way with their ability to take impartial and objective decisions on behalf of INA Group or jeopardise INA Group interests. Conflicts of interest can jeopardise your own reputation and that of INA Group, could cause damage to INA Group interests and have a negative impact on work morale.

There are many different situations where conflicts of interest can arise, some typical influencing factors include, but are not limited to:

- Having a second job or mandate;
- Participation in business partnership or private enterprise;
- Jobs and affiliations of close relatives, and having a close relative or someone with whom you have private relationship as co-worker reporting to you or supervising you;
- Investments.

Detailed descriptions and rules of declaring factors potentially causing conflict of interest are described in local regulations in line with local laws.

6.5.2 Protection of company assets

INA Group has extensive tangible and intangible assets, financial and non-financial resources with significant value. It is our duty to safeguard these assets for proper and prudent business purposes. We consider the mismanagement or unsatisfactory management of company property and resources of any kind, to be abuse of shareholder interests.

INA Group employees, suppliers, contractors and business partners shall assume responsibility for ensuring the integrity as well as the expedient, economical and efficient use of INA Group property. All employees and every authorised individual shall only use company funds, assets and resources for legitimate and authorised business purposes.

Portable or home business equipment (e.g. laptops and mobile phones) issued to employees, remain the property of INA Group companies and must be used with due care.

6.5.3 Protection of business secrets, business information

We at INA Group only collect information in a fair and strictly legal manner. We only use publicly available sources of information to evaluate business, consumer, competitor, supplier and technological trends or behaviours such as planned parliamentary bills and other regulatory measures and communications campaigns.

Information, data and knowledge are critical assets of INA Group and its business partners. All employees and business partners are responsible for protecting confidentiality, integrity and accessibility of data created, accessed, modified, transmitted, distributed, stored or used within INA Group or in business relationships with INA Group, regardless of the actual place and form they take (electronic, paper-based, other physical format, etc.)

We have created a comprehensive framework for information considered critical and sensitive, that is able to mitigate the risks arising from inappropriate use and to ensure the appropriate protection of information from unauthorised disclosure, use, modification or deletion.

6.5.4 Protection of intellectual property

Intellectual property (IP) is, in general, something unique that we create. It includes, among other things, copyright, patents, designs and trademarks, trade secrets, know-how rights and can be:

- Something we invent, such as a new product, technical solution, in-house development or process;
- A product's design or appearance;
- A brand or logo;
- Written work, including content on a website or in a brochure;
- Artistic work, such as photography or illustrations;
- Computer software.

At INA Group, we regularly create valuable business ideas, strategies and other business information that are company property and which must be protected. Such information is generated as a result of INA Group activities and it is part of INA Group's intellectual capital, in specific cases, possible to protect by law.

Intellectual property created or purchased using INA Group resources becomes INA Group member company property and cannot be regarded as private/personal property.

Protecting our intellectual property allows us to:

- Stop others using what we've created without our permission;
- Charge others for the right to use what we've created.

In this spirit, INA Group respects the work of others and pays attention not to infringe the IP rights of others and expects the same in return from everyone else.

6.5.5 Data security, digital systems

INA Group is committed to fostering a culture of cyber security, which we encourage throughout our value chain.

Through information technology solutions and regulations, we are committed to ensuring the confidentiality, integrity and availability of electronically stored data, during the full lifecycle of data through the storage, processing and transfer of said data.

That is why:

- All users involved in the management, usage or operation of INA Group's IT infrastructure must regularly undertake information security awareness training;
- Access rights to use the information infrastructure are only allowed for authenticated and authorised users on a "need-to-know" basis.

Computer hardware and software and all information on INA Group digital systems, as well as any INA Group information on home or other non-INA Group digital systems, is considered company property.

Internet usage for non-work related purposes are allowed to an extent providing it does not jeopardise system and network security, performance or stability and does not interfere with carrying out duties.

In order to ensure security, within the bounds of privacy and data protection laws, INA Group reserves the right to access and monitor devices and data stored therein for the purpose of maintenance or to meet business or legal requirements.

6.6 Trustful Business Relations and Responsible Stakeholder Relations

We at INA Group are committed to extend the spirit and practice of responsible and sustainable business along the entire value chain and strive to have business relations based on trust and responsible communication with our external stakeholders.

6.6.1 Business partner relations and communication

An honest and proper approach to customers, suppliers, contractors, partners and further business partners is the only basis for successful and long-lasting business relationships. To this end, we are attentive to customers', suppliers' and business partner's needs. We continuously monitor, assess and improve our products, services, technologies and business processes to deliver quality, safety and reliability at every stage along our value chain.

In INA Group, relations with customers, suppliers and other business partners are based on mutual trust and respect. INA Group is committed to keep every contractual obligation.

Employees should bear in mind that any communication from them is not only a reflection on INA Group, but could also be used in a dispute or investigation. Accurate and appropriate communication without being misleading in any way, is a must.

6.6.2 Engagement with local communities

INA Group contributes to economic growth, the raising of living standards and social development in its operational regions. We contribute to the development of communities from an economic, environmental and social point of view, through social engagement we contribute to creating a more habitable environment and economically stronger communities. Besides creating new workplaces, we also strive to give back value through taxes to communities where we are active and where we serve the public good through activities aimed at improving health, culture and education.

6.6.3 Our stance on political activity

INA Group does not seek to engage directly in political activities, nor pursue any political agenda while strictly observing all laws regulating companies' involvement in political activities and/or making political contributions.

INA Group does not sponsor, donate or support political programmes, parties or any organisations and events organised for or by them. However, INA Group recognises its employees' right to freely decide whether they get involved in politics and does not prohibit employee involvement in politics. However, political activities are not to be undertaken by employees in the name of INA Group or in conflict with Group interests.

6.6.4 Governmental relations and advocacy

In INA Group operations we act in good faith and in an honest manner, in compliance with all applicable laws and only use permitted methods.

INA Group strives to develop good and transparent relations with governmental and EU officials and any other external stakeholders including representatives and members of national and international associations.

Advocacy (lobbying activity) of INA Group always has to be in compliance with local legislation and rules in all countries it operates in. As some countries have special limitations on the value and nature of gifts and hospitality their officials can accept, special care should be given to this (for details see Gifts and hospitality).

INA Group pays taxes and insists upon transparency in all financial transactions. We also consider responsible tax paying as a part of our social responsibility. We never engage in any conduct aimed at avoiding taxes, including full compliance with all applicable laws and international rules regarding taxation and transfer pricing. The same is expected from our business partners, throughout the entire value chain.

INA Group voices its ethical commitments among trade organisations, industry associations, multi-stakeholder organisations and local, regional and global partnerships that advance the values of Sustainable Development.

6.6.5 Social investment, sponsorship and donations

INA Group is committed to acting as a socially responsible corporate citizen. We identify social and societal needs and challenges in many forms. Our social investment activities provide both social benefits and a financial return. We consider social enterprises as tools and methods to address social issues. We strive to support social innovation, support our employees' volunteer activities and always aim to support the projects or persons that promote our values.

We regularly report on our corporate giving and sponsorship in an open and transparent manner. Accordingly, we only co-operate with and participate in well-regulated and transparent enterprises that conduct themselves in the same manner as we do in business. In order to preserve the trust placed in our company, we have transparent, regulated sponsorship and charitable donation systems.

INA Group expects every sponsored and supported entity to follow our ethical values and principles. INA Group reserves the right to terminate or withdraw any sponsorship from a beneficiary acting contrary to our values.

6.6.6. Public disclosure, social media and media relations

INA Group is committed to responsible communication. We provide the general public with regular, complete, comprehensive and trustworthy information about our activities and intentions, through all relevant media. We aim to develop positive and highly professional relationships with the media. Responsible communication also means ethical advertisements. INA Group companies maintain open, transparent, balanced two-way communication with external stakeholders.

Any communication made publicly on behalf of INA Group towards media and investors is a public disclosure requiring care and a good understanding of legal and media issues, and is thus only permitted following proper approvals.

Misleading the public is not tolerated and can be also a regulatory offence with serious consequences for the company and the individual involved.

INA Group social media publications are managed by Corporate Communications. The social media activity of employees falls into the private sphere of employee's lives, which is respected by INA Group. However, employees are not entitled to act on behalf of INA Group or any INA Group companies on social media and are not allowed to post, share or otherwise disclose company information especially protected business information, nor are they permitted to refer to or indicate INA Group in any way that is contrary to our values.

7 POSING QUESTIONS AND EXPRESSING CONCERN

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

When reporting unethical conduct, the reporting person must respect the rights of the person reported on, thus it is forbidden to disclose or forward personal data of the person being reported to any INA Group member company or third party not concerned with the ethical compliance issue in question.

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

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

The respective managements of all INA Group companies and INA Group's Ethics Council must ensure that the employees of INA Group companies are familiarized with the content of the Code.

INA Group's Ethics Council:

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

Investigations and ethical procedures are regulated in chapter 8.

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 the relevant INA Group company. INA Group's Ethics Council can be contacted via e-mail at eticko.povjerenstvo@ina.hr or in writing to the following address: 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 INA Group company report a breach of ethical norms knowing that no Code breach was committed or that the Code breach was committed by a person other than the person reported, ethical procedures may be initiated against that employee.

INA Group companies will not tolerate any retaliation against people reporting compliance issues in good faith. Allegations of retaliation must be reported. The Ethics Council or the ethics officer in the relevant INA Group company will investigate all such allegations and take the appropriate actions. Anyone responsible for retaliation against individuals who report suspected unethical conduct or other business risks will be subject to an ethical procedure. If you suspect that you or someone you know have been retaliated against for raising an ethical compliance issue reporting a Code breach, you should contact INA Group's Ethics Council immediately.

8 ETHICAL PROCEDURES

8.1.1 General Provisions

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

8.1.2 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).

8.1.3 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.

8.1.4 Confidentiality

In order to protect the privacy of persons involved in ethical procedures and the secrecy of the procedure, 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 “CONFIDENTIAL” business secret category.

All parties involved in ethical procedures must handle all information and documents as confidential. Should a reporting person disclose the information related to the ethical procedure, the investigation of the ethical issue may be refused.

8.1.5 Parties’ Behaviour

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

8.2 Responsibilities and Powers of INA Group’s Ethics Council

8.2.1

The essential mission of INA Group’s Ethics Council is ensuring the ethical conduct of stakeholders and coordinating purposeful ethical development in all INA Group companies. 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 INA Group companies, 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 Council of Directors of INA, d.d. on investigation results, findings and raised ethical issues, and it prepares proposals on necessary measures.

8.2.2

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.

8.3 INA Group’s Ethics Council Activities

8.3.1

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

8.3.2

Members of INA Group's Ethics Council are independent experts and representatives of employees of INA Group companies. INA Group's Ethics Council consists of 7 to 15 members, at least two of which are L2 managers. 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 of INA Group companies are appointed for a definite period of time, while members who are employees of INA Group companies 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 or protection from discrimination, 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.

8.3.3

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

- by resignation;
- for members who are employees of INA Group companies, automatically upon employment termination;
- for members who are employees of INA Group companies, 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.

8.3.4

INA Group's 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.

8.3.5

INA Group's Ethics Council operates as a core team composed of the president of INA Group's Ethics Council and two L2 managers appointed as members of the council (hereinafter: Preparatory Council), which addresses individual tasks specified in this chapter.

8.3.6

Within INA Group companies (including INA, d.d.), ethics officers support INA Group's Ethics Council in carrying out its tasks in accordance with the orders of INA Group's Ethics Council, participate in the activities and actions of the Ethics Council as necessary and perform other activities in accordance with the powers and duties specified in this chapter of the Code. Ethics officers of INA Group companies are employees appointed by the management boards of their company.

8.3.7

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.

8.3.8

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.

8.3.9

In the event that an INA Group's Ethics Council meeting cannot be convened due to the urgency of a matter, or it is not necessary to hold the meeting given the nature of the matter, 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 members who are not present at the meeting and do not participate in the decision-making. The decision of the Ethics Council adopted by electronic mail or in writing will be verified at the first next regular meeting of INA Group's Ethics Council.

8.3.10

Members who are absent from an INA Group's 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.

8.3.11

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, as a general rule, receive such invitations at least 5 working days in advance.

8.3.12

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.

8.3.13

Minutes are taken during INA Group Ethics Council meetings. The minutes are verified by the person presiding over the meeting and the secretary of INA Group's Ethics Council. Upon request, minority or dissenting opinions must be recorded in 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.

8.3.14

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 working days in advance. When justified, an extraordinary meeting can be convened within 24 hours.

8.3.15

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.

8.4 Initiating Ethical Procedures

8.4.1

Anyone can initiate an ethical procedure in case they detect conduct at any INA Group company which constitutes a breach of the Code rules.

Managers of all levels in INA Group companies must report conduct that requires no measures by the employer or other actions based on contract, but is considered a breach of the Code rules.

8.4.2

The Code violation procedure may not be initiated after expiration of a period of two years from the occurrence of the reported event or a period of six months after learning about the occurrence of the reported event, unless the Ethics Council finds that it is justified to initiate the procedure in question due to specific reasons.

8.4.3

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 and statements of other persons which corroborate the report of unethical conduct.

Anonymous reports will only be investigated if the report can be examined with respect to its content and the documentation provided, and if it concerns a serious breach of the Code's rules.

8.4.4

The secretary of INA Group's Ethics Council / ethics officer will record in writing all reports of unethical conduct received via phone.

8.4.5

Upon receiving a report or a record of the report, 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 violation of the obligations arising from the employment relationship or violation of the obligations arising from another contractual relationship, the Preparatory Committee shall hand over all available information to the line manager exercising employer's rights and/or the head of the organizational unit responsible for managing the contract obligations that were breached for further action, while simultaneously informing the reporting person thereof.

8.4.6

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

The Preparatory Committee may start collecting additional information prior to making the decisions stipulated in point 7.4.7. In this case, the Preparatory Committee is authorized to request expert assistance, statements, documentation or actions to be taken by all organizational units and employees of INA Group companies.

8.4.7

Within 8 working days from the receipt of case documents, or a further period of 20 working days if additional information is being collected, 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.

Should the majority of members of the Ethics Council disagree with the decision of the Preparatory Committee, the president of INA Group's Ethics Council shall make a decision on initiation of the ethical procedure.

8.4.8

In the event that the Preparatory Committee decides to initiate an ethical procedure, the president of INA Group's Ethics Council shall inform, in writing, the reporting person and the reported person that the ethical procedure has been initiated. The notification shall briefly outline the key elements 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.

8.4.9

Upon making the decision to initiate an ethical procedure against an employee of an INA Group company with registered office outside the Republic of Croatia, the competent ethics officer will inform the reported person about the submitted report and request consent from the reported person for processing his/her personal data by INA Group's Ethics Council.

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 procedure shall be conducted by the competent ethics officer of the relevant INA Group company.

In such a case, the ethics officer shall conduct the investigation procedure alone and shall be solely authorized to process the documents and information obtained during the investigation procedure. During the investigation procedure, only the ethics officer may consult INA Group's Ethics Council, without delivering and forwarding any personal data.

8.5 Rules Applicable During Ethical Investigation Procedures

8.5.1

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.

8.5.2

In case a decision on initiation of an ethical procedure has been made, 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. If needed, the Investigation Committee is authorized to request expert assistance, statements, documentation or actions to be taken by all organizational units and employees of INA Group companies.

Only the following persons can be informed of the investigation:

- the president and members of INA Group's Ethics Council;
- the secretary of INA Group's Ethics Council;

- competent ethics officer.

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

8.5.3

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

- conducting a personal interview or telephone conversation and making a written record thereof;
- obtaining statements, documentation or taking other actions by all organizational units and employees of INA Group companies.
- visit(s) to locations important from the perspective of the case.

8.5.4

The Investigation Committee / ethics officer must compile a written report about the conducted procedure no later than 30 working 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 by 30 working days, or if duly justified, by a maximum of 60 working days. The report should discuss all the documents collected during 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.

8.5.5

Upon the conducted investigation at the recommendation of the Investigation Committee, INA Group's Ethics Council shall pass one of the following decisions, based on which:

- violations of one or several Code rules are established;
- the report based on which the ethical procedure was initiated is rejected.

A written decision of INA Group's Ethics Council is submitted to the reporting person and the reported person.

A copy of the written decision of the Ethics Council is submitted to the competent ethics officer.

If a violation of the Code rules has been established, the Ethics Council is authorized to make a recommendation of the proposed measures and sanctions for the reported person and submit it to the competent manager exercising the employer's rights, along with the decision of the Ethics Council.

8.5.6

Ethical procedures are finally completed when INA Group's Ethics Council adopts its decision.

8.5.7

Based on the decision of INA Group's Ethics Council, the competent manager of the reported person exercising the employer's rights is authorized to pass a decision concerning measures and sanctions according to internal by-laws, and must notify INA Group's Ethics Council thereof.

8.5.8

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

8.5.9

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

8.5.10

The President of the Ethics Council may, at the request of a party in a court proceeding, grant the use of a decision made by the Council in the court proceedings, while in case of the same request made by the court or another authorized body under the law, the Ethics Council is obligated to make available the requested documents of an individual case.

9 RELATED DOCUMENTS

Reference documents of the Code:

- Labour Act
- Prevention of Discrimination Act
- Companies Act
- Capital Market Act

General Data Protection Regulation (GDPR)

10 FINAL PROVISIONS

The INA Group Code of Ethics was adopted and published in accordance with the rules applicable for the internal labour by-laws and is an integral part and annex to the them.

The Code enters into force on January 1, 2020. Upon the Code's coming into force, INA Group's Code of Ethics adopted on July 1, 2017 shall cease to be valid and applicable.

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