

HVCA CODE OF ETHICS AND CONDUCT

in restated form with the amendments dated March 23, 2018

This Code of Ethics and Conduct sets out in Part I the norms of ethics and conduct of the Hungarian Private Equity and Venture Capital Association and in Part II the fundamental rules pertaining to the Association's Ethics Committee, the body supervising the compliance with such norms. The Code of Ethics and Conduct is binding on all members of the Association following its adoption by the General Meeting of the Association. The uppercase terms used in this Code of Ethics and Conduct have the meaning assigned to them in the Statutes unless otherwise provided.

I. NORMS OF ETHICS AND CONDUCT

1. Membership involves supporting the development of private equity and venture capital activity, the improvement of technology and productivity levels, the creation of new opportunities for entrepreneurs by way of financing innovation and such enterprises which have significant growth-potential in the fields of products, technology, business concepts and organization.
2. In carrying out their activities, the members must act in a responsible manner and must not damage the professional acceptance and the interests of venture capital and private equity.
3. The members must ensure the high quality of their investment portfolio and avoid financing such enterprises and partaking in such activities which are contrary to the above goals. They must take into account the long-term goals of the economy and the venture capital and private equity sector, endeavor to create value and in general do not seek the opportunity of short-term speculation which is detrimental to the portfolio company.
4. All members endorse and comply with the ethical norms of this regulation, and in this spirit maintain an open and sincere relationship with each enterprise to which they provide loans or in which they invest and with all other venture capital firms
5. The members undertake not to disclose any confidential business, financial or technical information to any third parties which they obtained in the course of negotiations with potential partners requesting investment or by way of insight into the business operation of portfolio enterprises, unless they received explicit permission to make such disclosure from the affected party or if such disclosure is prescribed by a mandatory provision of a legal regulation or a mandatory resolution of a court or an authority.

6. Members must not distort the good reputation of other members or the Association during investment negotiations or any other way.
7. The venture capital and private equity funds must not be used for the personal purposes or for the supporting of the directors, executives, employees, agents and representatives thereof, except if the agreement between the fund and the persons concerned expressly so provides.
8. In those cases when two or more members are involved in the provision of loans to or in the carrying out of investments in the same portfolio enterprise, the managing member and all other members must communicate to each other the information regarding the portfolio company in question, the relationship between the enterprise and its executives, directors owners/shareholders, employees, agents or representatives as well as the relationship between the member organization having an ownership interest in the enterprise and the managers, directors, shareholders, employees nominees and representatives of the other participants and also their relationship with the enterprise.
9. Members must not accept the provision of capital of unidentified origin to their investment fund.
10. Members must report to their investors by means of presenting detailed operational and financial reports.
11. Members must not abuse their position held in the Association or the information provided/addressed to the Association.
12. Members submit to the Statutes, the decisions of the Association's elected bodies, and the provisions of this Code of Ethics and Conduct and oblige their directors, executives, employees, agents and representatives to submit to the same rules.

II. ETHICS COMMITTEE

13. The Ethics Committee is a 3-5-member body of the Association supervising the compliance with the provisions of the Statutes and the Code of Ethics and Conduct.
14. The Ethics Committee is entitled to conduct ethics proceedings against the Members. The ethics proceedings aim at investigating whether the conduct of the Member concerned violates the professional norms set out in the Code of Ethics and Conduct or the provisions of the Statutes, and – depending on the outcome of the proceedings – deciding what actions, if any, are to be taken against the Member.
15. The chairman and the members of the Ethics Committee are elected by the General Meeting for a three-year period, possibly in December of the year in which the mandate of the members (chairman) of the Ethics Committee in office expires. Members of the Ethics

Committee are excluded from becoming a member of any other elected body of the Association. If, due to any reason, the appointment of any member (chairman) of the Ethics Committee terminates prior to the expiry of his mandate, subject to the decision of the General Meeting, the vacant position shall not be filled, or the new member (chairman) elected for the vacant position shall hold such position only for the time period remaining from the original mandate.

16. The Ethics Committee may commence its proceedings on its own initiative or upon the written request of the Board of Directors or any Member of the Association. Any member of the committee who is involved in the matter in question or who otherwise cannot be expected to objectively assess such matter is excluded from participating in the ethics proceedings.

17. The proceedings of the Ethics Committee are not public; however, other Members of the Association may participate on the hearing of the affected Member via their legal or authorized representatives. The parties concerned have the right to make a statement in the proceedings regarding the matter in question. The Ethics Committee adopts its decisions as a body in a private session. The votes cast by the members of the Ethics Committee at the voting and the minority opinions, if any, are not public.

18. Further rules of procedure of the Ethics Committee are established by the Ethics Committee itself.

19. Depending on the outcome of the investigation carried out in the ethics proceedings, the Ethics Committee may take the following decisions, actions against the Member concerned:

a) may establish that the conduct of the Member concerned violates the Statutes of the Code of Ethics and Conduct;

b) may call upon the Member to discontinue the conduct violating the Statutes or the Code of Ethics and Conduct,

c) may suspend the membership of the Member for a time period established by the Ethics Committee,

d) may propose to the General Meeting that a resolution be adopted on the expulsion of the Member from the Association in case the Member fails to discontinue the conduct violating the Statutes or the Code of Ethics and Conduct despite the call of the Ethics Committee. Such motion may be made only, if the Ethical Committee had previously called upon the Member to discontinue the conduct violating the Statutes of the Code of Ethics and Conduct in 8 days and such 8-day deadline has unsuccessfully expired.

20. The Ethics Committee passes its resolutions in the course of the ethics proceedings by a simple majority.

21. Decisions of the Ethics Committee may not be overruled by other bodies of the Association.

22. The Association is entitled to publish the resolution of the Ethics Committee regarding the suspension of the membership or the expulsion of a Member on the Association's website and in its newsletter.

Budapest, March 23, 2018