

Code of Good Business Practices



The words of the managing director



CE Real Estate Management Kft. is a real estate asset and property management company, which was found in Hungary and operates across CEE region. It employs core team of 6 people and closely works with individual external colleagues as well as third party companies. CEREM employs people from different professions and backgrounds. We provide our services to institutional investment companies, international real estate business entities as well as private equity owners. It is therefore essential that our staff fully shares our values and principles.

This Good Business Practice Code was designed to be used by all our staff, who may, at any time, come across ethical issues in their day-to-day professional activities. It is therefore to be used as a reference. All internal policies, procedures, and rules as well as clients instructions must comply with the code.

Since 2003, most of us in CEREM have been active on real estate market in CEE region. Market, which was blooming and boosting quickly, market which offered great opportunities, but market which was thought for long years missing high professionals with the utmost best ethical standards. CEREM is based on rules, which many people talk and write about, but not that often keep in daily life. We firmly believe that it is possible, and indeed essential, to combine strong management and best practices, profitability and integrity and growth and ethics.

The growth of our business is built on this idea, and our future and success depend on it. This is why it is important that everyone is aware of their responsibilities and is committed to implementing CEREM's principles for business practices. In case of any questions the managing directors are at the disposal at all staff.

Significant changes in the commercial environment, business practices or company structure might require changes to this Code in the future, necessary changes will be adapted from time to time.

A handwritten signature in blue ink, reading 'Renáta Kodadová'.

Renáta Kodadová
Managing Director



CEREM carries its business in different areas. Its employees are faced with many situations that may involve questions related to ethics.

The purpose of the CEREM's Code of Good Business Practices, in compliance with the laws and regulations applicable to it, is to create a minimum set of common rules, in order to:

- ensure the conformity of CEREM's operations, and also of the development and protection of its brand image;
- guarantee to every CEREM's employee the minimum rights, the principles of which are set out in the International Labour Organisation conventions;
- guarantee the development of a common corporate culture, beneficial to everyone.

These minimum common rules guide the behavior of all CEREM's employees, both within CEREM and with respect to persons and third party entities that have a relationship with us.

A Code for everyone, applicable to everyone

It applies to:

- each of the entities relative to CE Real Estate Management Kft.;
- all employees for all their activities, whether within CEREM or with third party entities (sub-contractors and suppliers, etc.);
- all external colleagues;
- all business partners chosen by CEREM.

Moreover, CEREM is keen to work with partners who share its values. Application by its partners of the principles and rules in the Code of Good Business Practices, is therefore an element that should guide the decision to initiate and continue any business relationship.

7 key principles to follow in our business conduct

1 Comply with laws and regulations and take international standards into account

All employees of CEREM are required to comply with the national laws and regulations in force. Where the legislation of a country is even stricter than an ethical rule stipulated in the Code, the national legislation shall prevail.

In addition, CEREM adheres to the UNO Global Compact and places particular importance on compliance with:

- the principles set out in the Universal Declaration on Human Rights;
- the fundamental conventions of the International Labour Organization (ILO);
- the laws on anti-corruption.

2 Protect clients and their interests

2.1 Service quality

CEREM's primary responsibility is to guarantee the quality of the services it provides. It therefore undertakes to comply with strict standards in this respect, and never ignore an alert on these matters, whatever its origin or nature. This responsibility relates to the protection of clients, their interests as well as reputation.

2.2 Data protection

CEREM complies with the laws concerning data protection and client privacy.

2.3 Responsible communication

For CEREM, clients protection extends to the elements of communication used by the company and projects it is responsible for or cooperates on. In addition to the applicable legislation, CEREM may also refer to benchmarked standards and good practices. It may also define its own rules in regard to responsible communication (for example setting up an internal control system).

3 Protect the environment

3.1 Prevention of environmental risks and reduction of environmental impact

CEREM will put in place actions to prevent environmental risks. All employees are encouraged to anticipate these risks and to share any information that might prevent such a risk.

Moreover, CEREM is aware of environmental issues and will put in place a continuous improvement approach to its environmental performance, to which each employee is asked to contribute via its professional practices and behaviors within the company (eco-gestures).

3.2 Selection of partners

CEREM's policy is to equal or exceed the legal requirements applicable locally on environmental issues. Where a choice is possible and in addition to other criteria such as quality and price, CEREM's employees are encouraged to choose suppliers and sub-contractors who offer the best products or services from an environmental point of view.

4 Protect employees' fundamental rights

CEREM has defined 7 fundamental rights of employees, inspired by the principles set out in the International Labour Organization's conventions. These fundamental rights are as follows:

4.1 Prohibition of child labour

CEREM will not accept child labour under any circumstances, either within CEREM or at its sub-contractors and suppliers. It is therefore essential to comply with the minimum legal age limit applicable in all the countries where CEREM operates.

In all cases, this minimum age may not be lower than the age stipulated in conventions 138 and 182 of the International Labour Organization, i.e. 15 years, increased to 18 years for dangerous or particularly difficult work.

4.2 Prohibition of forced labour

CEREM will not tolerate under any circumstances the use of forced labour in its Group or at its sub-contractors and suppliers. Forced labour means workers employed under restraint, force or blackmail.

4.3 Hygiene, health and safety

CEREM is determined to provide and maintain working conditions that ensure the safety and protect the physical and mental health of all its employees. To this end, these rules relating to health and safety at work must be shared with the suppliers and sub-contractors working with CEREM.

4.4 Non-discrimination: equality of opportunity based on merit and skill

Decisions concerning recruitment, promotion, job maintenance, training, improvement and remuneration are based on the aptitude, skill and experience required to perform the job.

4.5 Prohibition of sexual or moral harassment

CEREM undertakes to provide and maintain a working environment that protects the dignity of all. Under no circumstances will be tolerated any acts of harassment of any kind and discriminatory practices against employees, and likewise against suppliers, consultants, clients and other persons with whom CEREM has business relations.

4.6 Freedom of association and right to collective bargaining

CEREM recognizes and respects its employees' right to establish or belong to a trade union organization of their choice.

4.7 Freedom of political association

CEREM respects the freedom of its employees to participate on a personal basis in political and civic life. However, in order to protect the interests of CEREM, the following rules apply:

- CEREM does not make any financial contribution or contribution in kind to political organizations, parties or personalities;
- employees will not receive reimbursement for any contributions made in their own name.

5 Prevent conflict of interest, fraud and corruption

5.1 Prevention of conflict of interest

A conflict of interest exists when an employee's personal relations or activities outside work may hinder their objectivity, judgment or capacity to act in the best interests of CEREM.

For this reason:

- employees must avoid acquiring interests or participating in any activity that might affect their judgment or capacity to act in the best interests of the Group;
- employees are asked to disclose to their superior any professional, commercial or financial interests or activities that might, to their knowledge, be reasonably perceived as creating a real or potential conflict of interest with the obligations related to their job;
- CEREM's employees are asked to ensure that their acts and decisions are not influenced by any interests that might reasonably seem to be in conflict with those of CEREM.

5.2 Gifts

Some CEREM's employees may be led to offer presents, favors and receptions to public or private contacts. In this case, these gifts must be of a negligible value and must never be expressed in cash. To assess the concept of negligible value, an employee may for example consider whether they would be able to offer the same gift from their own pocket.

In addition, some CEREM's employees whose representation duties lead them to interact with existing or potential suppliers and service providers may be faced with a situation of attempted corruption. They are asked to be exceptionally vigilant and to apply the above criteria to their own situation.

5.3 Prevention of fraud

Fraud means any deliberate illegal behavior aimed at appropriating, misusing, falsifying, dissimulating, omitting or destroying money, goods, data and information belonging to CEREM.

Internal fraud may involve misusing the company's resources to the detriment of the company and its employees. In order to protect the interests of CEREM and its employees, CEREM will act with the greatest strictness against anyone who commits fraud.

5.4 Absolute rejection of acts of corruption

CEREM considers that acts of active or passive corruption, aimed at public officers or employees of private companies, are unacceptable, regardless of the countries in question and the political situation in these countries.

In this context, the following rules apply:

- it is strictly prohibited to offer or to pay a public officer, a private company or an employee of this company (or an individual or legal entity related to the latter) a commission, benefit of any kind, whether tangible or intangible, or a facilitation payment (i.e. a payment designed to make a routine formality quicker);
- all payments must be correctly accounted for in line with the applicable accounting principles used in CEREM and must be made into a bank account identified in writing.

6 Promote fair business relationships

CEREM places great importance on the fairness of its business relations. This means complying with the national and foreign laws and regulations governing competition and the commercial practices in the countries in which it operates.

The purpose of these laws and regulations is to ensure the efficient, competitive operation of markets in goods and services. Any breach thereof is liable to incur heavy penalties and may have serious consequences. It is therefore essential that all employees comply with them.

The following behaviors are specifically prohibited, as it is anti-competitive:

- discussions or exchanges of sensitive/confidential information with competitors;
- agreements (verbal, written, explicit or implicit) with competitors or with clients or suppliers with the purpose or effect of:
 - ◊ directly or indirectly affecting prices;
 - ◊ limiting or controlling the opportunities, technical development or investments of competitors;
 - ◊ boycotting clients, competitors or suppliers, pushing a competitor out of the market or preventing their entry to the market.
- agreements with competitors aimed at obtaining gains from a market as part of a public or private call for tenders.

7 Ensure the accuracy and protect the confidentiality of professional and financial information

7.1 Duty of confidentiality

The sharing of confidential information with a third party may endanger CEREM. Employees must be careful not to reveal this type of information during their professional or personal relationships.

In this context, the following rules apply:

- save where legally required to do so, CEREM will not disclose any information likely to compromise its own competitiveness or to contravene the privacy rights of individuals, companies or institutions. All information relating to the CEREM's environment is by its nature confidential;
- consequently, employees undertake not to mention or communicate any confidential information about CEREM or in the possession of CEREM, unless they have been previously authorized in writing by Managing Director or by any authorized person.

This covers not only all reports, files, documents, devices, processes, plans, methods, machines and other forms of information, but also information on third parties to which CEREM might have access.

7.2 Compliance with accounting standards

CEREM's accounting documents must be an accurate, fair and punctual reflection of its transactions. The accounting books and records are held in compliance with the applicable laws and regulations, to ensure the accuracy of the accounts. This requires precise accounting of all operations or transactions.