



NEXON

CODE OF
BUSINESS
CONDUCT
AND ETHICS

Content

- 1.** General statement on NEXON's guiding principles

- 2.** Statement of integrity

- 3.** Code of Business Conduct and Ethics of NEXON
 - 3.1.** Applicability
 - 3.2.** Responsibilities of employees
 - 3.3.** Responsibilities of managers
 - 3.4.** Ethical misconduct
 - 3.5.** Reporting violation of the guiding principles
 - 3.6.** Sanctions against the violation of the guiding principles

- 4.** Business policies and procedures
 - 4.1.** Business conduct with clients and other business partners
 - 4.2.** Business relationship with the public sector
 - 4.3.** Conduct with competitors
 - 4.4.** Bribery, corruption, fraud
 - 4.5.** Prevention of money laundering
 - 4.6.** Data protection

- 5.** Fair employment

- 6.** Labour and health protection, environment-conscious thinking

- 7.** The protection of NEXON property
 - 7.1.** Security and crisis management
 - 7.2.** Protection of intellectual property
 - 7.3.** Protection of physical property

- 8.** Equal opportunities

- 9.** Harassment

- 10.** Alcohol and drug policy

- 11.** Participation in public affairs, conflict of interests

- 12.** Use of social media

- 13.** Insider trading and passing on tips

1. General statement on NEXON's guiding principles

A leading payroll and human resources management solution provider in Hungary, NEXON aims at delivering reliable payroll and human resources management solutions that contribute to the success of its partners.

Each NEXON employee is expected to demonstrate an accountable and ethical business conduct. Our values and beliefs are anchored in our employees' professional knowledge, experience and fair behaviour that underpin all that we do.

By creating its Code of Business Conduct and Ethics, NEXON expresses the significance of those values and principles that contribute to a higher standard of services, the best performance of every employee and an increased social responsibility of the company. Each employee is responsible for a compliant and ethical conduct. The scope of the Code of Business Conduct and Ethics covers individuals not employed directly by the company but working as representatives of or on behalf of the company as well.

The Code of Business Conduct and Ethics is a unified framework of ethical standards and expectations satisfied by NEXON. It is available for our employees and, on the other hand, for the public, to see that NEXON is a respectable and responsible Hungarian company that adds value to the social and economic sphere.

By organising training and making information available, NEXON ensures that its employees know and understand the principles set forth by the Code of Business Conduct and Ethics. However, the Code of Business Conduct and Ethics does not endeavour to include all the principles and expectations of the company, or to address all the issues of the relevant regulations.

! *This Code of Business Conduct and Ethics that clearly defines NEXON's viewpoints and expectations of business behaviour has been approved by NEXON's management.*

2. Statement of integrity

NEXON's Code of Business Conduct and Ethics lays down the principles spanning its history, from its foundation 25 years ago to the present and even the future. NEXON is committed to conducting its business with the highest level of fairness and integrity.

NEXON fully complies with the rules and regulations in effect in Hungary when conducting its business as well as when cooperating with enterprises, authorities and the society.

The products and services offered by NEXON require a high standard of professionalism and client-oriented approach. Rooted in long established experience, a company culture and ethical norms have been created focussing on the retention and strengthening of customers' trust and the company's reputation.

NEXON's employees – regardless of job or function – are expected to consistently behave according to the principles set forth by the Code of Business Conduct and Ethics, which is further confirmed by signing the Statement of Integrity. Not only do we endeavour to meet the requirements, but also to build our entire company spirit on trustworthiness.

NEXON does its utmost to ensure that its employees conduct work in alignment with the principles included in the Code of Business Conduct and Ethics. No business interest, supervisor instruction or personal ambition shall prevent our employees from demonstrating an ethical conduct.

Quick business decisions and changes are prompted by a constantly changing economic environment. In order to meet this requirement, we are developing our services based on the expectations of our customers and by applying the developments of the economic environment while retaining our principles and ethical behaviour.

3. Code of Business Conduct and Ethics of NEXON

3.1. Applicability

All employees of NEXON, subordinates and managers alike, are affected by the provisions of the Code of Business Conduct and Ethics. So are individuals working for NEXON in a relationship other than employment, or as subcontractors, independent suppliers, or those working as representatives of or on behalf of NEXON.

An ethical failure of a single individual may put the company's reputation at risk, and may jeopardise trust in the company, therefore each employee of NEXON is expected to know and adhere to the provisions of the Code of Business Conduct and Ethics.

A training course and relevant information have been made available for the employees since the publication of the Code of Business Conduct and Ethics, enabling the employees to know and understand the content therein. When a new employee is hired, it is the HR department's responsibility to introduce the Code of Business Conduct and Ethics to them, and have them sign the statement.

3.2. Responsibilities of employees

A general expectation of NEXON employees is to identify with the guiding principles of the Code of Business Conduct and Ethics, to learn the policies and consistently adhere to them. Their liability is further confirmed by their signing of the Statement of Integrity. In the event that a violation of the Code of Business Conduct and Ethics is discovered, employees must alert management about it without delay, following the processes outlined in 3.5.

Employees are expected to cooperate with the committee investigating ethical misconduct. In the event that a NEXON employee has questions or proposals regarding the Code, they can contact the HR department in writing.

3.3. Responsibilities of managers

The managers of NEXON have the extra responsibility of setting an example to all employees by their honest and reliable behaviour. Their managerial position calls for them to be responsible not only for their own ethical conduct, but for that of their employees as well.

Close cooperation between NEXON employees and organisational units is essential. Each employee must respect fellow employees and must conduct their affairs with mutual interest and goals taken into consideration. Employees cannot be requested to act in violation of the Code, internal policies or applicable laws.

If material information known to an employee is reported to higher management, it shall be forwarded to the HR department – by keeping the employee’s identity unknown if requested –, and the issue is to be handled confidentially throughout the investigation.

In addition, managers are to provide data and participate in the investigation process upon request, as well as cooperate with the committee investigating ethical misconduct.

3.4. Ethical misconduct

All actions or intentions thereof qualify as ethical misconduct that are contrary to the principles and rules laid down in the Code, or that may result in jeopardising NEXON’s interests. The relevant committee of NEXON shall investigate each case they have discovered or have been notified of. Whether or not the particular case is considered ethical misconduct will be determined by the findings of the investigation.

3.5. Reporting violation of the guiding principles

The employees of NEXON are responsible for reporting any suspected violation of the Code. A report regarding an ethical issue is to be made to the immediate manager in the first place; however, if a manager is involved by the ethical misconduct, then the HR department is to be contacted. The company management must be informed about ethical issues without delay.

Independent suppliers of NEXON are expected to immediately notify NEXON about any suspected ethical misconduct. An employee of the supplier shall follow the procedures set forth by their company, the representative or contact person of the supplier shall notify their NEXON contact immediately, or, if the NEXON contact is involved in the issue, his or her manager or the HR department shall be informed. The company management must be informed about such ethical issues as well without delay.

Reports on ethical issues are investigated by competent officers of NEXON in all cases. For this purpose, a committee is set up under the supervision of the company management. The HR department mediates between the parties involved.

The identity of the employee reporting on an ethical issue is handled confidentially by NEXON management. However, the employee is to cooperate with the committee investigating the case. The management ensures confidential handling so the employee is not discriminated against or unfairly penalised for complying with their obligations. Therefore, each employee involved in the investigation is to treat the details of the case as confidential.

3.6. Sanctions against the violation of the guiding principles

An ethical failure is regarded by NEXON as one of the most serious failures. If an employee commits an ethical failure, it is considered as breach of the employment contract.

In such cases NEXON will take disciplinary actions in compliance with the Labour Code and other relevant regulations, which may result in dismissal.

NEXON will take measures against suppliers in accordance with the supplier's contract and other relevant regulations, which may lead to indemnification or termination of the contract.

4. Business policies and procedures

4.1. Business conduct with clients and other business partners

A successful and long-term business relationship is founded on a truthful and fair relationship built with clients and business partners. NEXON's good reputation is anchored in its first class products and services as well as a dedicated commitment to ethical behaviour.

NEXON builds and maintains a mutually beneficial relationship with clients to ensure customer satisfaction on the one hand and company efficiency on the other. For this purpose, NEXON employees are expected to be aware of client requirements as well as the company's strategy, and short- and long-term goals.

NEXON employees are expected to listen to client needs, to continuously assess and develop our products and services, our technologies and business processes in order to provide high quality, secure and innovative solutions at all times.

NEXON only offers and sells products and services best suited to a client's request or needs. Professional and business authenticity prevent NEXON from selling any product or service that have no beneficial value to the client or are not suited to the client's needs.

It is essential that NEXON be represented to clients and business partners by ever well-prepared experts of the company. NEXON employees are expected to maintain and develop their professional knowledge. For this purpose they are supported by the management to participate in training courses and professional development programmes organised in-house.

NEXON employees are expected to exhibit correct, fair and polite behaviour, with no discrimination on any grounds to clients, vendors and all other third parties.

NEXON employees are expected to keep their promises, and to arrive at meetings in a timely manner. Provided that an unforeseeable condition prevents the timely delivery of a result, or arrival of the employee at a meeting, the business partner shall be notified without delay.

Enquiries received by NEXON employees are to be handled consistent with internal policies, where speed, correctness and client satisfaction are key requirements. Client enquiries shall be responded to by providing facts, arguments and resolutions. Enquiries shall be managed and closed as fast as possible and with maximum client satisfaction.

It is not only legally but also morally expected of NEXON employees not to abuse confidential client information or transactions disclosed to them in the course of the company's business. Such information may not be disclosed, either internally or externally, to any unauthorised person or put to any unauthorised use. All NEXON employees are expected to adhere to the internal information security and data protection policies of NEXON at all times.

In the event that a partner is a supplier and a client at the same time, the two relationships must be separately handled. The purchase of a product or service cannot be expected in return for a supplier contract.

4.2. Business relationship with the public sector

NEXON conducts business with several state and municipal organisations and their companies and institutions. NEXON employees are expected to comply with the strictest ethical requirements, to adhere to the relevant rules and regulations, including those specifically defining transactions with the public sector.

Data provision to and rulings of state institutions must be managed in compliance with effective rules and regulations. In the event an audit is requested, the immediate manager and the client concerned are to be informed as soon as possible.


4.3. Conduct with competitors

NEXON uncompromisingly believes and maintains that our services are sold relying on their advantages, and not by the defamation of competitors. No unjust comparisons are applied in any manner in the course of advertising our services.

One key tool of staying competitive is information gathering. It is fundamental that information about competitors may only be obtained in a legally and morally correct way.

4.4. Bribery, corruption, fraud

It is in NEXON's paramount interest to be protected from any bribery attempts and to prevent any moral or material damage resulting from corruption cases. It is our obligation imposed by the moral requirements of our clients as well as the society.

 *NEXON's employees are not allowed to accept or offer anything of value that might be interpreted as a bribe (for instance, bribe, gift, free service, allowance or kickback), in any form and in any business relationship.*

In order to protect the company from external corruption, we must cooperate with partners doing business in a fair manner. Our employees are expected to report promptly to the competent manager any suspected or actual corrupt intent of a partner. In such cases NEXON will revise the business relationship with that particular partner.

Offering gifts is only allowed with the company management's consent. Employees may not individually give gifts to business partners. Neither are they allowed to accept any gift, allowance, money or commission offered by a partner to secure any improper advantage, or to obtain or retain any business. Allowances, or the products offered by a partner free of charge over the course of procurement shall be NEXON's property. In the event that the acceptance of a gift is unavoidable, or it is an official gift, the gift shall be submitted to NEXON's HR department; such gifts will later be distributed among the employees.

Entertainment of business partners requires prior approval from the company management and must officially be financed by NEXON; payment of entertainment bills by an individual employee is strictly prohibited. The manner and extent of entertainment cannot exceed general business ethics standards, entertainment cannot be excessive, nor can it place the recipient under an obligation. In the event that several partners are invited, equal opportunities shall be ensured. Entertainment offered by a partner shall be avoided as much as possible; if it cannot be avoided, then good morals shall be observed during the entertainment. It is strictly prohibited to use services for the entertainment of a partner, or accept them from a partner. It is particularly prohibited to offer or accept services that are against good morals.

Any political or economic support from any political party or church will not be accepted by NEXON, neither by its employees in their positions, or in the name of NEXON.

NEXON employees are expected to report any external bribery attempt, or suspicion thereof, as specified under section 3.5 of this document. It is guaranteed by NEXON that no action may be taken or threatened against any employee for reporting suspected bribery cases.

4.5. Prevention of money laundering

Those who obtain money from illicit sources might try and launder such income so as to conceal such payments of money or make them look legal. Several countries have introduced anti-money laundering laws which prohibit financial transactions with the proceeds of a crime.

NEXON only does business with clients that are fair and legal in their dealings and obtain their assets from legal sources. NEXON feels obligated to comply with the anti-money laundering policies declared by its clients.

NEXON employees are expected to comply with all the regulations in Hungary that prohibit money laundering, and with the provisions that require the disclosure of any cash or suspicious transactions.

4.6. Data protection

Data protection is of paramount importance in the industry NEXON deals in, therefore the company places considerable emphasis on the protection of its clients' data.

One of NEXON's major business activities is to process and store sensitive data of its clients. Security of such data is vitally important and, consequently, NEXON guarantees that there is no abuse whatsoever of them. NEXON takes responsibility to appropriately protect personal data and keep compliant with the increasingly strict laws on gathering, processing and storing client information.

All NEXON employees are required to behave with responsibility, to comply with relevant laws and contracts regarding data protection and security provisions as well as in-house IT security and data protection policies, and to promptly disclose any risks identified, or incidents revealed to them.

5. Fair employment

NEXON complies with labour, occupational health, fire protection and employment related regulations, and provides for its employees everything specified therein without discrimination. NEXON guarantees fair and legal payment of salaries which is exclusively dependent on performance and expertise. NEXON respects provisions on working time and holiday, and does its utmost to prevent any form of irregular employment, child and forced labour, or employment with discrimination. In addition to legal compliance, we wish to establish work conditions that meet every employee's requirements. NEXON selects and hires its employees without discrimination, based purely on the professional knowledge and experience required by the position.

6. Labour and health protection, environment-conscious thinking

NEXON's management take considerable effort to protect both our natural and built environments. Environment protection is a public affair of significance, and is given respective consideration. In line with this, employees are expected to know and comply with the relevant regulations, to protect the environment, to endeavour to reduce their environmental footprint (selective collection of waste, collection of dangerous waste, economising on electricity and water), to protect buildings and furniture, and to use them as intended.

Managers ordering, and associates responsible for the procurement of any product, material, tool, or service are expected to examine the environmental footprint these products have.

Associates may not jeopardise in any way their own health or fitness, or those of their fellow associates, through their behaviour and work.

NEXON enables its employees to put forward their ideas and proposals with regard to the protection of the environment, health and labour to their immediate supervisor or the head of HR.

7. The protection of NEXON property

7.1. Security and crisis management

There are an increasing number of malicious intrusion attempts these days, as well as a rise in the risk of illegal actions. Consequently, the protection of our employees, our work environment, our data and our company is of paramount importance. In accordance with NEXON's crisis management and security goals, our employees are expected to do their utmost to avoid relationships with malicious persons or institutions that may cause economic disadvantage, to observe security provisions, and to support crisis management through their responsible behaviour.

NEXON owns a property of great value, including physical assets (office equipment, IT technology, furniture and other belongings of the buildings, and company cars), and intellectual property consisting of know-how information of market value. This entails the intellectual property created and knowledge obtained by the employees through their work.

7.2. Protection of intellectual property

NEXON's intellectual property is the greatest and most important asset of the company. Therefore, employees are expected to do their utmost to protect our intellectual property. Other intellectual property is honoured and respected by NEXON.

Intellectual property includes, amongst others, software developed in-house, business plans, agreement-related information, personal data administered by NEXON and other non-public information that might be of use for competitors, or, if disclosed, could cause disadvantage for NEXON or its clients.

Such information must be handled confidentially even after termination of employment or agreement. Upon termination, all paper-based and electronic documents that are confidential or proprietary must be returned.

All NEXON employees are expected to comply with the confidentiality agreements that they have signed in relation to their job or as part of their employment contract.

7.3. Protection of physical property

The protection of NEXON's physical assets (office equipment, IT technology, building objects and company cars) is vitally important, therefore every associate is personally responsible for the property put at their disposal.

Employees are expected to inform their immediate supervisor about any direct violation, or risk of violation, of integrity, and to assist in eliminating damage or averting danger.

Furthermore, NEXON tools shall be put to efficient use, therefore they may only be used for business purposes. Each physical asset must be handled with utmost care as generally expectable. NEXON's assets may only be passed on to any third party with management consent.

8. Equal opportunities

No-one within NEXON may be discriminated against on the grounds of gender, age, marital status, nationality, ethnic origin, religious or political belief, union membership, sexual orientation, or any other circumstance irrelevant to work.

NEXON respects employees' rights to private life, religious or political belief, and will not influence them in any manner. As a result, every employee may take a role freely in any – legally valid – social or political organisation.

9. Harassment

Any form of harassment is condemned and prohibited by NEXON. Every employee must respect the religious, political or other beliefs of fellow employees, and must refrain from applying any form or means of influence, especially that of power.

Forms of harassment are as follows:

- every form of violence (harassment based on sexual, personal, or cultural difference),
- work relationship subordinated to sexual relationship or cultural difference,
- creation of a hostile and intimidating work environment, exclusion of particular employee groups or individuals,
- forcing an employee into an unwanted sexual relationship from a position of authority, offering a private relationship to a fellow worker,
- verbal or non-verbal reference to physical or mental disability, religious, cultural or sexual difference, or exclusion, or putting someone to a disadvantageous situation on one of these grounds.

10. Alcohol and drug policy

NEXON employees are not allowed to drink alcohol during their working time. It is further expected of them not to consume alcoholic drinks excessively even after working time, and to display a responsible behaviour so as not to defame the company with their indecent conduct.

Each employee is required to fully comply with all the rules and regulations on the ownership and use of drugs.

NEXON reserves the right to check from time to time or on a regular basis on the alcohol or drug consumption of its employees on its premises, while staying compliant with the law. In the event that an employee does not display a cooperative behaviour towards the company representative during the control, it will be regarded as ethical misconduct, and an investigation and procedure will be initiated against that employee. Doing work under the influence of alcohol, and disrespecting the laws on the ownership and use of drugs will lead to employment consequences.

11. Participation in public affairs, conflict of interests

Social or public activities and appearances of employees may not infringe on NEXON's ethical beliefs, nor may they compromise the company's reputation. Employees must declare that they make their statements and do their actions as private individuals. As a consequence, it is forbidden for them to use any remarks or symbols with reference to NEXON, or any element of company image.

The place of work may not serve as the location of social, political or public affairs. None of NEXON's communications, physical or other means may be used by any employee for such purposes.

It is of vital importance that there is no conflict between private and business interests in personal or official relationships. A conflict of interests may arise even when an employee takes a measure or is motivated by interests that make it difficult for them to do their job for NEXON objectively and efficiently.

Such a conflict of interests may arise when an employee has a secondary job along with their primary NEXON job. Therefore, employees must inform NEXON management before starting such activities, and must obtain NEXON's consent.

NEXON employees are expected to notify company management if the company wishes to conclude an agreement with a business run by their family or relations. Concealing such information shall constitute ethical misconduct.

Employees must promptly report any situation and significant personal or official relationship revealed to them that may result in an apparent or actual conflict of interests.

12. Use of social media

Social media have generally become integral part of our life through the use of various internet-based electronic devices. NEXON uses the possibilities offered by social media for communications purposes, however, their forms and channels require the management's consent.

Employees may only make statements on behalf of the company through these channels, and only with official consent from management.

Employees may only declare their own private opinions in their private communications (mail, chat, post) on social media sites. They must ensure that NEXON cannot be linked to their own statements, neither may they name NEXON as the source of their opinion. They must ensure that their communication shall not lead to the defamation of the company.

If naming NEXON cannot be avoided, the employee must clearly declare that the opinion is his, and not that of NEXON.

It is in the common interest of companies and private individuals alike to handle particular information with confidentiality. Search engines and other technology basically make it impossible to withdraw anything from the internet for ever. Therefore, it is forbidden to disclose any non-public company information (including clients' personal data and NEXON's non-public data) on social media sites. NEXON employees must respect confidential and sensitive information in social media as well.

13. Insider trading and passing on tips

NEXON employees may obtain, in the course of employment, material, non-public information relating to the company and its clients. In the event that confidential information obtained in this manner is used for information gathering or is disclosed to any third party, ethical (or in some cases even criminal) offence is committed. This includes trading with NEXON's securities about which the insider has obtained important but non-public information. Or, if such insider information is passed on to any third party to enable them to take economic advantage of this.

Utmost care must be taken in the course of processing, forwarding and managing confidential and sensitive information, so it will not be obtained by any unauthorised person. Confidential information shall not even be shared within the family.

NEXON employees are expected to fully comply with the statement of confidentiality signed by them in relation to their employment contract.