

1. OBJECTIVE OF POLICY

A detailed description of the Hotline operation, a clear stipulation of both, responsibilities and competences, the description of the investigation of announced complaints and monitoring resolutions as well as recommendations.

2. SCOPE OF POLICY

This policy is applicable to each member of the BorsodChem Group including all sites, headquarters and branch offices of certain independent legal entity companies. The policy is relevant for every employee and manager of the Group.

3. ROLES AND RESPONSIBILITIES

Roles and responsibilities matrix connected to this policy is set out in **Appendix 1**.

Each manager and employee of the BorsodChem Group has the authority and obligation to file a complaint:

- a. in all such matters, which violate the effective legislations, internal corporate regulations and
- b. in all such cases, which fail to be compliant with the Code of Ethics principles of the BorsodChem Group.

(Hereinafter collectively referred to as Concerns)

All reported Concerns will be forwarded to the Group Compliance in accordance with the procedures set forth herein. Within the BorsodChem Group, the Compliance Committee evaluates and qualifies the reported Concerns and is entitled to make such decisions – and where it fails to be competent to request the Management to take action - , which will eliminate the root causes of the reported Concern.

Members of the Compliance Committee:

- Compliance Officer (Chairman)
- HR Director
- Head of Internal Audit

The Compliance Committee makes its decisions with simple majority.

4. SUBMISSION

The informer may report the Concern in writing either without or with name as well as orally. In the case of an oral report, the Compliance Officer is obliged to immediately compile a memorandum on the Concern.

Anonymous concerns

Anonymous concerns may be submitted – reported as per the following:

- electronically via E-mail to **compliance@borsodchem.hu** (only the Compliance Officer can see this mailbox, into which even BorsodChem IT specialists are not allowed to have access)
- via telephone at **+36-48-522-360** directly to the Compliance Officer and to answering machine in his absence (anonymity of the informer is ensured as number of incoming call is not displayed, nor recorded and the informer is not forced to identify oneself)
- in writing by post directly to the Compliance Officer on address: **BorsodChem Zrt. 3702 Kazincbarcika, Pf.208** (the letters addressed to the Compliance Officer arrive at the addressee without haven been opened).

Submission by name

The procedure is the same as defined in the paragraph “Anonymous concerns”.

Both the Informer and the Company shall consider that the Hungarian Data Protection Act regulates that personal data (such as name, staff ID etc.) could only be disclosed if the affected person gave their permission. The Company guarantees that in the course of procedures included in this policy,

the handling of personal data and Concerns shall be done in accordance with Act LXIII of 1992 on personal data protection and the publicity of public data as well as the relevant provisions of the Labour Code.

The aim of personal data handling is to collect, review and investigate the Concerns and follow up on all observations. Personal data are only handled in the timeframe required to perform the above mentioned tasks. The personal data will not be utilized for any other purposes. Data are exclusively handled by Group Compliance and the Compliance Committee.

5. RECEIPT AND RETENTION

Concerns are collected by Group Compliance. In case of signed Concerns, Group Compliance shall notify the sender about the acknowledgement of the submission within five business days.

Each Concern shall receive a unique ID immediately after the processing is started in order to ensure accountability and follow up. Concerns shall be recorded in a written form in a database or paper-based log, with the following mandatory items noted:

- a. Submission date
- b. Tracking number (unique ID)
- c. Description of Concern
- d. Submitter
- e. Current status
- f. Actions taken for the investigation of Concern.

An example of a log is shown in **Appendix 2** related to database management.

The log of Concerns (hereinafter referred to as the log) shall be retained and regularly updated by Group Compliance.

6. CONFIDENTIALITY AND PROTECTION AGAINST RETALIATION

This Policy is explicitly intended to encourage and enable – regardless of position – all employees to raise Concerns within the Group. With this goal in mind, the Company guarantees that no individual, who in good faith reports a Concern shall be subject to retaliation or any adverse discrimination. Moreover, an employee, who is proved to apply any kind of retaliation against the Informer due to the submission of a Concern, is subject to discipline up to and even including termination of employment.

Reports of Concerns and investigations pertaining thereto shall be managed with utmost confidentiality.

Primarily, the Compliance Officer is liable to handle the reports of Concerns with proper confidentiality and an unauthorized person must not have access to it.

7. RESOLUTION AND FOLLOW-UP

The Compliance Committee shall be convened as required. All Concerns shall be promptly investigated by the Compliance Committee. During its sessions the status of reported Concerns shall be reviewed.

Decisions are to be targeted at:

- A target deadline shall be set with respect to the investigation.
- The Compliance Committee has the authority to involve external independent experts to conduct a full investigation. The Compliance Officer, as the Chairman of the Compliance Committee shall immediately notify the Chief Executive Officer and the Chairman of the Supervisory Board of any such issue.
- Remedial actions which ensure proper mitigation of Concerns substantiated and follow-up of

implemented measures.

The Compliance Officer shall regularly inform the Chief Executive Officer and the Supervisory Board on the operation of the Whistle Blowing/Hotline Policy.

The Compliance Officer shall provide brief information on the outcome of individual investigations to the Informer who submitted the Concern by name.

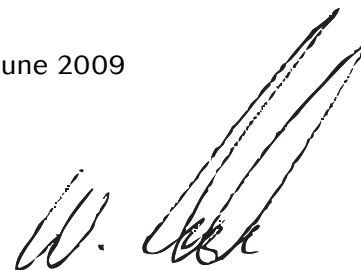
8. ADMINISTRATION

The Compliance Officer is responsible for the

administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

9. APPROVAL

Kazincbarcika, 1 June 2009



Dr. Wolfgang Büchele
Chief Executive Officer

Appendix 1 – Roles and responsibilities

Tasks	Compliance Officer	Compliance Committee	Internal Audit
1. Receive Concerns	P		
2. Notify the sender about receipt of Concern	P		
3. Maintain and update the log of Concerns	SR		P
4. Investigate concerns	SR	SR	P
5. Discuss new Concerns	SR	P	SR
6. Prepare action plans	SR	P	SR
7. Recommend corrective action to the Management	SR	SR	P
8. Inform sender regarding results of the investigation	P		
9. Notify the Chief Executive Officer and the Chairman of the Supervisory Board	P		
10. Administration, revision, interpretation and application of this policy	P		

P – Primary Responsibility

SR – Support Responsibility

