

INFORMATION NOTICE

on the whistleblowing system and how to report abuses

I undersigned Palotai Daniel dr., attorney-at-law (seat: H-1145 Budapest, Amerikai út 90/F., record number of the Budapest Bar Association: 36066727, hereby inform my Clients and Partners that my law firm has joined the internal whistleblowing system operated by the Hungarian Bar Association (hereinafter „MÜK” or Hungarian Bar Association).

According to section 194/A. of Act LXXVIII of 2017 on the professional activities of Lawyers (hereinafter: Lawyers Act) the Hungarian Bar Association operates the internal whistleblowing system with regard to the provisions of Act Act XXV of 2023 on complaints, disclosures in public interest, and related rules on reporting abuses (hereinafter: Whistleblower Protection Act). The internal whistleblowing system is operated by the Hungarian Bar Association in relation to lawyers, European Community lawyers, law firms or European Community law firms, which do not appoint an impartial person or department to perform this function or do not appoint a whistleblower attorney or other external organisation to operate the internal whistleblowing system. The purpose of the operation of the whistleblowing system is to guarantee the possibility of reporting abuses or violations while protecting the whistleblower. This Information Notice sets out the rights and obligations of whistleblowers and other participants of the whistleblowing process, as well as how to report abuses or violations.

What can be reported?

Information about any unlawful or supposedly unlawful acts or omissions or other misconducts in connection with the activities or operation of my law firm.

Who can make a report?

- all employees and former employees of my law firm,
- any person who has any other employment relationship with my law firm, including trainees and volunteers, and any person who has previously had such a legal relationship with my law firm,
- any person who intends to enter into an employment relationship or other legal relationship with my law firm and for whom the procedure for the establishment of such a legal relationship has started - including the recruitment procedure for job applicants,
- natural or legal persons having any contractual relationship with my law firm,
- any contractor, subcontractor or person under the supervision and control of a contractor who has or has had a contractual relationship with my law firm.

How can you make a report?

The report can only be made to the MÜK operating the whistleblowing system through the channels set out below. The MÜK will not accept reports by any other means.

- in person at the office hours of the MÜK (every Monday between 13:00 and 14:00 or by prior arrangement at the MÜK, seat: H-1055 Budapest Szalay utca 7.)
- by post to the address of the MÜK at H-1055 Budapest Szalay utca 7.,
- by e-mail to bejelentes@muknet.hu,
- using the form available on the website of the MÜK (<https://www.xn--mk-xka.hu/panaszbejelentes>).

Anonymous reports

Reports can be made anonymously, but in the case of an anonymous report, the whistleblower must take into account that in lack of contact details, and/or if the information provided in the report is not sufficient or appropriate for the investigation of the report, or if the information indispensable for the initiation or an effective conduct of the investigation cannot be obtained for any other reason, the investigation may be closed without any result. Furthermore, the MÜK will not be able to provide the whistleblower with information on the procedure. Please also note that the investigation of the anonymous report may be waived with regard to the provisions of the Whistleblower Protection Act.

What protection is available to whistleblowers?

During the investigation, the MÜK must ensure that the whistleblower does not suffer any adverse consequences as a result of his or her report. Any action taken against the whistleblower because he or she has made a lawful report will be considered unlawful, even if it would otherwise be lawful. For further details can be found in article 41 of the Whistleblower Protection Act.

In case that a report has been lawfully made, the whistleblower shall not be liable for obtaining or having access to the information contained in the report, unless the whistleblower has committed a criminal offence by obtaining or having access to the information. A whistleblower shall not be liable for lawfully making a report if he or she had reasonably believed that the report was necessary to disclose the circumstances to which the report relates. The whistleblower may rely on the above protection in all administrative or judicial proceedings, in addition to proving that the report was lawfully made. However, please note that you may not make a report which is obviously false or made in bad faith. The whistleblower protection under the Whistleblower Protection Act applies to the whistleblower only if the reported information, concerning the circumstances covered by the report, falls within the scope of the European Union-acts listed in Annexes nr. 1 and 2 to the Whistleblower Protection Act or the legal provisions ensuring their implementation and compliance with them, or if the whistleblower has reasonably believed so. However, the whistleblower is not entitled to the whistleblower protection in the following cases:

- if the report breaches the rules of the protection of national classified secret information,
- if the whistleblower fails to comply with the legal obligations of confidentiality in relation to medical confidentiality or legal professional privilege,
- if the whistleblower fails to comply with the obligation of professional confidentiality imposed on him or her by his or her profession as a member of a church or religious association performing religious rites,
- if the whistleblower breaches the rules related to confidentiality in connection with the judicial proceedings,
- if the whistleblower breaches the provisions related to data processing under the rules of criminal procedure, or
- if the whistleblower, as a member of the law enforcement agencies, the Military National Security Service or the National Tax and Customs Administration, breaches the laws related to the activities of these agencies.

A report is lawfully made in the following cases:

- the whistleblower has made the report through one of the whistleblowing systems stated in the Whistleblower Protection Act and in accordance with the rules set out in this Act,
- the whistleblower obtained the reported information, concerning the circumstances to which the report relates, in the context of his or her employment-related activities; and
- the whistleblower had reasonably believed that the reported information, concerning the circumstances to which the report relates, corresponded to reality at the time of the report,
- the whistleblower makes his or her report to the EU-institutions, bodies, offices or agencies responsible for the exercise of the functions and powers in connection with the whistleblowing system, and the conditions set out in the previous two points above are fulfilled.

Date: 24th of July 2023

Daniel Palotai dr. LL.M.
attorney-at-law
member of the Budapest Bar Association