

## CODE OF ETHICS

### PREAMBLE

Beyond meeting legislative requirements, the Association sets the target of providing direct, fair and reliable services fundamentally based on the requirement of the valid ethical procedure.

The Association is committed to emphasising the importance of the individual and the fair procedure, concurrently to which the Association endeavours to make the joint work more effective and comfortable for its Partners by exploiting the technical opportunities available.

Opportunities offered by the Association aim to improve the quality of life of people. Therefore, the Association is convinced that beyond meeting the demands of market competition, gaining the trust of Partner members based on credible promises made may lead to long-term successful operation, which is why the Association sanctions the activity of every partner that fails to meet the increasing commitments assumed by the Association or comply with relevant legislative requirements.

By establishing the present Code of Ethics, the Association envisages setting up a set of requirements based on volunteering accessible at any given time by the Association and its contracted Partners, to which the Association and its contracted Parties shall comply at all times when representing the Association.

## **I. Objective of the Code of Ethics**

By establishing the ethics procedure and regulation, the aim of the Association is to exclude any Partner from the LAVYLITES NETWORK system operated by the Association that diminishes trust in the organisation and is unwilling to comply with regulations and requirements because of their conduct as soon as possible in order to protect the interests of end-users.

## **II. The Ethics Procedure**

II.1. The Support Unit is the unit competent in ethics procedures. The present Code of Ethics is applicable to the Association and Partner members.

II.2. The ethics procedure is initiated upon request or officially. The Association's Support Unit has the right to review any unethical conduct identified that raises suspicion of the breach of the operational requirements specified by the Association.

II.3. The Support Unit begins to review the circumstance or conduct reported/complained about within 30 days of the submission of the request or the initiation of the official procedure and ends the procedure by issuing a decision, which is sent in writing to the individual under review.

II.4. At the beginning of the procedure, the Support Unit brings a decision based on the consideration of facts in regard to suspending the status of the Partner member under review while the procedure is in progress until a decision is made.

II.5. The initiation of an ethics procedure does not rule out that a court or out-of-court procedure or criminal procedure may be initiated in connection with the same conduct.

II.6. Within the framework of the ethics procedure, the Partner member under review must be ensured the opportunity to present their position in writing to the Support Unit conducting the review. The Partner member under review may submit evidence to justify statements made, which may be taken into consideration on a discretionary basis. The procedure may be conducted and a substantive decision may be made within the framework of the ethics procedure if the Partner under review did not take part in the procedure, but was notified in writing via the email address registered in the system about the initiation of the procedure.

II.7. The Support Unit making the decision shall notify the Partner member about the outcome of the ethics procedure via the member's registered email address.

## **III. Beach of Ethics**

III.1. Any breach of the GTC is a breach of ethics.

III.2. In addition, breach of ethics includes, but is not limited to the following::

- Abusive conduct manifested by Partner members toward one another;
- Registration in own sales network of a Partner member invited to

hold a presentation from amongst conference participants within 72 hours of the conference;

- The Partner member makes an untrue statement during the meeting;
- Attempt to lure the Partner member to join an alternative Network, MLM network;
- Conduct harming or posing a threat to the prestige and/or economic interests of the Association;
- Advertising, operation of a website without the Partner's permission.

III.3. The Support Unit may apply the following sanctions depending on the gravity of the breach of ethics, if it deems that the Code of Ethics has been breached by the Partner:

- a) written warning;
- b) suspension (deactivation) for max. 1 year;
- c) forfeiture of the commission due or its reduction by 0-100%;
- d) exclusion of the Partner.

The Support Unit endeavours to commensurately apply the above sanctions by taking the gravity of the breach and the frequency it was committed into consideration; however, the above sanctions may also be applied jointly.

#### **IV. Miscellaneous Provisions**

IV.1. The Association is entitled to unilaterally amend the present Code of Ethics at any given time.

IV.2. Provisions governing the Codes of Ethics in effect shall prevail in respect of the initiation of every ethics procedure.



#### **TECHNICAL TRANSLATION**

Prepared by the Hungarian Office  
for Translation and Attestation Ltd.

This translation shall in no way replace attested  
translation.