CORPORATE GOVERNANCE RECOMMENDATIONS

Prepared by the Corporate Governance Committee,
Budapest Stock Exchange Ltd.

Approved by the Governing Board, Budapest Stock Exchange Ltd.
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Content

Corporate Governance Committee as of 23 February 2017 3
Introduction 4
Corporate Governance Recommendations 7
1. Shareholders' rights and the General Meeting 7
   1.1. General Principles 7
   1.2. Convening the General Meeting 7
   1.3. Conducting the General Meeting 8
   1.4. Other issues concerning the General Meeting 11
   1.5. Remuneration 12
   1.6. Transparency and Publication 12
2. Governance, Control, Risk Management 15
   2.1. Distribution of responsibilities and competences within the Company 15
   2.2. Board of Directors / Governing Board 15
   2.3. Supervisory Board 15
   2.4. Meetings of the Board of Directors / Governing Board and the Supervisory Board 16
   2.5. Members of the Board of Directors / Governing Board and the Supervisory Board 17
   2.6. Independence of Governing Board / Supervisory Board members 17
   2.7. Conflict of interest of Board of Directors / Governing Board and Supervisory Board members – insider trading 18
   2.8. Internal control systems and risk management 19
   2.9. External Advisor, Auditor 21
Annexes 22
Information related to the Corporate Governance Report 22
Corporate Governance Report on compliance with the Corporate Governance Recommendations 24

Corporate Governance Committee

as of 23 February 2017

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Introduction

The Corporate Governance Recommendations (hereinafter: Recommendations) published by the Budapest Stock Exchange Ltd are designed to formulate guidelines facilitating compliance by public limited companies (hereinafter: issuers) with all internationally recognised rules and standards of responsible corporate governance in the course of their operation. Another purpose of the Recommendations is to make the structure of responsible corporate governance transparent and controllable also in Hungary by making information pertaining to the management and operation of issuers publicly available.

The Recommendations can be seen as supplementing Hungarian legal regulations. However, when assessing their responsible corporate governance practices, issuers should also take all relevant legal regulations into account. Following the Recommendations requires compliance with legal regulations as well as ethical conduct and business practices focused on the entities' own responsibility.

The Recommendations are based on the century-old ideal of the fair and honest businessman and ethical commercial practice. In this regard, they are intended to describe in clear terms the operational management of issuers as well as the obligation of the organisations and persons supervising them to maintain and ensure the continued operation of these companies as well as to create long-term value in relation to their operation.

The Recommendations are also intended to increase the confidence of domestic and foreign investors, shareholders, business partners and employees in the companies. In this regard, it is an important objective of the Recommendations to enable every shareholder to access all information related to the companies. Shareholders' right of equal access to information should prevail in the operation of the companies.

The Recommendations seek to facilitate for shareholders, and especially for minority shareholders, to exercise their rights. An important way of encouraging the exercise of rights by shareholders is ensuring that they can exercise their rights also when not present in person. The Recommendations are aimed at promoting the exercise of shareholders' rights via various electronic and telecommunications means. They create a framework for supporting shareholders in exercising their rights which allows issuers to provide additional opportunities for shareholders to exercise their rights.

In this regard, however, shareholders should also be able to exercise their company-related rights actively and with responsibility, and to fulfil their obligations to the companies. Shareholders can exercise their rights within the limits set by legal regulations and the Company's Articles of Association. Abusive enforcement of these rights is prohibited and sanctioned by Hungarian law. The Recommendations also contain requirements concerning the Board of Directors and the Supervisory Board. In accordance with EU legislation, Hungarian company law also allows public limited companies having the relevant provision in their Articles of Association to establish a Governing Board with a uniform governance system instead of having a Board of Directors and a Supervisory Board. The

Governing Board performs the tasks of the Board of Directors and the Supervisory Board specified in legal regulations. In this case, the Recommendations are intended for the Governing Board. Therefore, all recommendations and proposals relating to Supervisory Boards only apply to issuers operating in a non-uniform governance system. This explains the use of two terms, Board of Directors and Governing Board, in the Recommendations.

The Recommendations contain both recommendations that are binding for all issuers and non-binding proposals. Issuers may derogate both from binding recommendations and non-binding proposals. In the event of derogation from the recommendations, issuers are required to publish and justify the derogation in their corporate governance reports ('comply or explain'). This enables issuers to take industry and company-specific requirements into account. Accordingly, even issuers derogating from the recommendations can comply with corporate governance requirements under certain circumstances. Concerning the proposals, issuers should indicate whether they apply a given guideline or not, and they can also explain any derogation from the proposals.

Issuers should make statements about their corporate governance practice in two different ways. On the one hand, companies should give an accurate, comprehensive and clear account of the corporate governance practices they used in the given business year in their mandatory corporate governance report presented to the annual general meeting. That account should cover their corporate governance policy and also describe any extraordinary circumstances which may have occurred. In the second part of the report the issuers should give an account of their compliance with each point of the Recommendations in line with the 'comply or explain' principle, including any reasons for derogating from a specific recommendation and/or proposal.

If the practices followed by an issuer are consistent with the ones set out in the Recommendations, they must indicate that by selecting YES in the report. When an issuer does not apply a recommendation or applies it in a different way, they should explain where the differences are and offer a reason for such derogation ('comply or explain' principle). This method allows issuers to consider their unique, industry-specific etc. idiosyncrasies and to inform shareholders and market players about their derogations from general corporate governance principles and to provide an explanation. Operating on the same principle, they can also explain any derogations from the proposals.

The basic principle and purpose of the corporate governance report is to enable companies to give an account of their previous business year and to reveal the measure of their compliance with the Recommendations. The Recommendations may, however, include recommendations and proposals relating to events which did not occur at the issuer in the given period. In accordance with the current practice, these 'event type' questions can be answered with 'YES' also when the relevant event did not occur in the business year (for instance, no dividend was paid, or no shareholders' comments were received for the proposals to be submitted prior to the General Meeting) if the Company would have responded to the occurrences of such events as set forth in the Recommendations, in line with the provisions of its Articles of Association or its practices. In a situation like that, the solution that comes closest to the principle of transparent operation is for the issuer to select YES and also to add an explanation that though the event in question did not occur in the previous business year, there are appropriate mechanisms in place to handle it.

The Recommendations are applicable to public limited companies. Stock exchange listed issuers are expected to implement the Recommendations and, in that regard, to provide information on how closely they follow them. Private companies not traded on the stock exchange are also advised to take the Recommendations into consideration.

The Recommendations were developed in line with the recommendations of the European Commission and the OECD in addition to the EU law

The Recommendations are periodically reviewed and revised as necessary by the Corporate Governance Committee of the Budapest Stock Exchange Ltd, taking into account the corporate governance reports prepared by the issuers in compliance with the relevant statutory legal provisions, approved at their annual general meetings and published on their company websites.

As a result of the review of the Recommendations in 2020, the Corporate Governance Committee repealed Section 1.5 on Remuneration and recommendations under 1.6.7 and accordingly amended items 1.6.2, 1.6.9 and 2.2.2 as well as Annex 1, with regard to the provisions of *Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts,* which governs remuneration matters. However, in the future, the Committee intends to give interpretations and guidance to complement these legal provisions as relevant experience is learnt and gathered. New recommendations derived from this experience shall replace the repealed or amended ones.

Dated at Budapest, on November 30, 2020

Budapest Stock Exchange Ltd.
Corporate Governance Committee

Corporate Governance Recommendations

1. Shareholders' rights and the General Meeting

1.1. General Principles

1.1.1. The Company should operate an investor relations organisational unit or designate a person for this task to ensure ongoing communication with shareholders in compliance with the transparency and disclosure requirements and in line with the Company's disclosure principles. – RECOMMENDATION
Question to be answered: Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks?

1.1.2. The Company should publish its effective Articles of Association on its website. – RECOMMENDATION
Question to be answered: Are the Company's Articles of Association available on the Company's website?

1.1.3. The Company's Articles of Association should allow shareholders to exercise their voting rights also when they are not present in person. – PROPOSAL
Question to be answered: Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person?

1.1.4. In the event that the Articles of Association allow shareholders to exercise their rights in their absence, the Company should publish the methods and conditions of doing so, including all necessary documents. – RECOMMENDATION
Question to be answered: If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents?

1.2. Convening the General Meeting

1.2.1. The Company should publish on its website a summary document with the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders. – RECOMMENDATION
Question to be answered: Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders?

1.2.2. The Company should publish the exact date when the range of those eligible to participate in a given company event (General Meeting, dividend payment, shares splitting, bonus shares issue etc.) is set (record date). At the time of setting this date, the Company should also publish

the last day when the shares granting eligibility for participating in a given company event are traded. – RECOMMENDATION
Question to be answered: Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded?

1.2.3. The Company should hold its General Meetings at a place and time providing for maximum shareholder participation. – RECOMMENDATION
Question to be answered: Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

1.2.4. The place and time of General Meetings initiated by shareholders should be determined by taking the initiating shareholders' proposal into account and without prejudice to the previous point. – PROPOSAL
Question to be answered: Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

1.2.5. To ensure the fast and smooth conduct of the General Meeting, the Company should make necessary technical arrangements for the voting, ensuring that the results of the voting can be determined clearly, unambiguously and fast. When votes are cast electronically at a General Meeting, the Board of Directors/Governing Board should be responsible for ensuring the validity and reliability of the results. – PROPOSAL
Question to be answered: Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results?

1.2.6. The Company should not restrict the right of shareholders with more than one securities account to designate a different representative for each of those accounts for the shares held there, at any General Meeting. If a shareholder is represented by more than one representative and they vote differently or make different statements, all votes cast and/or statements made by them should be considered void. – RECOMMENDATION
Question to be answered: The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting.

1.2.7. For proposals for the agenda items, the Board of Directors' draft resolution and also the Supervisory Board's opinion should be disclosed to the shareholders. – RECOMMENDATION
Question to be answered: For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders?

1.3. Conducting the General Meeting

1.3.1. The Board of Directors/Governing Board and (if applicable) the Supervisory Board should be represented at the General Meeting to answer any questions raised. In the event of their

absence, the Chairman to the General Meeting should disclose it and provide an explanation before discussion of the agenda begins. – PROPOSAL

Questions to be answered:

1.3.1.1. Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

1.3.1.2. In the event the Board of Directors/Governing Board and the Supervisory Board was absent, was it disclosed by the Chairman of the General Meeting before discussion of the agenda began?

1.3.2. The Articles of Association of the Company should not preclude the Chairman of the Board of Directors/Governing Board from inviting anybody to the meeting and granting them the right to express their opinion and to add comments if the person's presence and expert opinion is presumed by the Chairman to be necessary or help provide information to the shareholders and help the General Meeting make decisions. If shareholders requesting to supplement the agenda items of the General Meeting require the participation of a third party for the discussion of the agenda item proposed by them, the Articles of Association of the Company should not preclude the Chairman of the Board of Directors/Governing Board from inviting that person - at the shareholders' written proposal - and granting them the right to express their opinion and to participate in the discussions of the relevant agenda item. – PROPOSAL

Questions to be answered:

1.3.2.1. The Articles of Association of the Company did not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.

1.3.2.2. The Articles of Association of the Company did not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there.

1.3.3. The Company should not restrict the rights of its shareholders attending a General Meeting to request information, add comments and submit proposals, and should not set any preconditions for these, provided that exercise of these rights does not lead to the obstruction of the correct and intended conduct of the General Meeting. – RECOMMENDATION

Question to be answered: The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended.

1.3.4. By answering the questions raised at the General Meeting, the Company should ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements. – RECOMMENDATION

Question to be answered: *By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements?*

1.3.5. In the event certain questions at the General Meeting cannot be satisfactorily answered by the representatives of the Company's boards or by any relevant auditor present at the meeting, the Board of Directors should ensure that the answers are published within 3 working days following the General Meeting, unless this is contrary to the Company's interests. If the Company refrains from offering answers, it should publish an official statement with a detailed explanation at least on its own website within 3 working days following the General Meeting. – RECOMMENDATION

Question to be answered: *Did the Company publish on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers?*

1.3.6. The annual report prepared as specified in the Accounting Act should contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation (such as a transparent introduction of the management and the governance system, the KPIs, the risks and the ownership structure). – PROPOSAL

Question to be answered: *Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?*

1.3.7. In the event a proposal or proposal relating to a particular issue on the agenda has been submitted which the shareholders haven't had a chance to become familiar with before the General Meeting, the Chairman of the meeting should order a recess at his own discretion (taking into account the extent and complexity of the proposal or proposal) before the decision is made to provide sufficient time for shareholders to form an opinion on the issue. The recess ordered by the Chairman of the meeting should not lead to an unreasonable disruption of the General Meeting. In the event the Chairman of the General Meeting deems it necessary in view of the significance of the proposal or proposal described above, he can suggest that the General Meeting be postponed to ensure that the shareholders can make informed decisions. – RECOMMENDATION

Question to be answered: *Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting?*

1.3.8. In the case of General Meeting decisions on electing and recalling executive officers and Supervisory Board members, the Chairman of the General Meeting should not use a combined voting procedure; the election of each candidate should be decided in separate resolutions. In the case of executive officers or Supervisory Board members, whose nominations supported

by shareholders, the Company should introduce the nominee and also name the supporting shareholder(s). – RECOMMENDATION

Questions to be answered:

1.3.8.1. The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members.

1.3.8.2. For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)?

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, the General Meeting should pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way, to ensure the smooth and efficient conduct of the meeting. – RECOMMENDATION

Question to be answered: Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?

1.3.10. The Company should publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting. The Company may help draw up the minutes of the General Meeting by making audio recordings, while observing all data protection regulations. Shareholders who speak at the General Meeting may only attach the written version of their comments made at the General Meeting to the minutes. The Chairman of the General Meeting should call the shareholders' attention to this opportunity before the discussion of the agenda items begins. – RECOMMENDATION

Question to be answered: Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting?

1.4. Other issues concerning the General Meeting

1.4.1. Provided that the shareholder has submitted all information and documents necessary for dividend payment, the Company should pay the dividends within 10 days following shareholder verification as indicated in the General Meeting resolution or in the notice about the dividend payment procedure, but by no later than the end of the year in which the General Meeting is held or, if permitted by the Articles of Association, make payment in the form of non-cash benefits. In the event shareholder verification is unsuccessful at the predefined time, the Company should make payment within 10 working days following successful verification. In the event of unsuccessful shareholder verification, the Company should take immediate measures to ensure successful verification. – PROPOSAL

Question to be answered: *In line with Section 1.4.1, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents?*

1.5. Remuneration - *Repealed*[1]

1.6. Transparency and Publication

1.6.1. The Company's publication guidelines (basic publication principles and procedures) should ensure that all information intended to be published are disclosed in the shortest possible time, and for that purpose, the Company's publication guidelines should also cover the procedures for electronic, online publication. The Company should design its website by considering the aspects of disclosure and the information of investors. – RECOMMENDATION

Questions to be answered:

1.6.1.1. Do the Company's publication guidelines cover the procedures for electronic, online disclosure?

1.6.1.2. Does the Company design its website by considering the aspects of disclosure and the information of investors?

1.6.2. The Company should establish a method to assess the significance of events and transactions for the purpose of continuously informing the shareholders about the events judged to be important. The Company should assess the efficiency of the publication processes once a year. It is recommended that the Company's publication guidelines should cover the management of at least the following types of information:

- the objectives of the Company,
- the results of the activities and the financial management of the Company,
- the principles for electing and nominating board and management members at the Company[2],
- the risk factors affecting the operation and the financial management of the Company and the risk management principles of the Company,
- relevant information on employees and other stakeholders,
- corporate governance practice, the structure of the corporate governance system,
- ownership structure.

The Company should publish the findings of its annual review. – RECOMMENDATION

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[1] As a result of the review of the Recommendations in 2020, the Corporate Governance Committee repealed Section 1.5 on Remuneration and recommendations under 1.6.7 and accordingly amended items 1.6.2, 1.6.9 and 2.2.2 as well as Annex 1, with regard to the provisions of *Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts,* which governs remuneration matters. However, in the future, the Committee intends to give interpretations and guidance to complement these legal provisions as relevant experience is learnt and gathered. New recommendations derived from this experience shall replace the repealed or amended ones.

[2] Please, refer to footnote 1. on page 12.

Questions to be answered:

1.6.2.1. Does the Company have an internal publication policy in place which covers the processing the information listed in Section 1.6.2 of the Recommendations?

1.6.2.2. Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication?

1.6.2.3. Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

1.6.2.4. Did the Company publish the findings of the efficiency assessment of the publication process?

1.6.3. The Company should publish the so called 'company event calendar' prior to the relevant business year, informing market players about the expected release dates of the Company's important regular disclosures (e.g. financial reports) and of foreseeable major events (e.g. the proposed dates of General Meetings, investor meetings, roadshows). – RECOMMENDATION

Question to be answered: Did the Company publish its annual company event calendar?

1.6.4. The public should be informed about the Company's strategic goals, its main business activities, business ethics as well as its policies regarding other stakeholders. A description of the Company's strategic goals should be included in the annual report. – RECOMMENDATION

Question to be answered: Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

1.6.5. The Company should publish career information (e.g. independence, special expertise, other professional functions) about Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website. – RECOMMENDATION

Question to be answered: Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website?

1.6.6. The Company should publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management and also about the considerations for the assessment of individual members. This information should mention whether the assessment carried out in the given period resulted in any material changes or not. – RECOMMENDATION

Question to be answered: Did the Company publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year?

1.6.7. *Repealed*[3]

1.6.8. The Board of Directors / Governing Board should publish its risk management guidelines, reassuring shareholders that all risks of essential internal and external operations, financial and legal compliance and other risks are continuously assessed, therefore, these risks are adequately managed by a stable internal mechanism. The information should cover the system of internal controls, the risk management principles and fundamental rules applied and give a comprehensive overview of the key risks. – RECOMMENDATION
Question to be answered: Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management?

1.6.9. The Company should publish on its website the guidelines for persons discharging managerial responsibilities and persons closely associated with them regarding the trading of the Company's shares. The share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company should be disclosed in the annual report or in some other way. – RECOMMENDATION[4]
Questions to be answered:

1.6.9.1. Did the Company publish its guidelines relating to the trading of its shares by insiders?

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company in the annual report or in some other way?

1.6.10. While maintaining the confidentiality of secrets protected under business and other confidentiality laws, the Company should publish any relationship that Board of Directors / Governing Board, Supervisory Board and management members may have with third parties and could affect the operation of the Company. – RECOMMENDATION
Question to be answered: Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company?

1.6.11. The Company should prepare and publish its information also in English even if it is not required to do so under legal regulations or stock exchange regulations. It should be documented that, in the event of discrepancies between information provided in the official language used at the Company's registered office and in any other language, the information provided in the official language used at the Company's seat will take precedence. – PROPOSAL

[3] Please, refer to footnote 1. on page 12.
[4] Please, refer to footnote 1. on page 12.

Question to be answered: Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11?

1.6.12. The Company should inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly. – PROPOSAL
Question to be answered: Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

2. Governance, Control, Risk Management

2.1. Distribution of responsibilities and competences within the Company

2.1.1. The Company's Articles of Association should contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board. – RECOMMENDATION
Question to be answered: Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board?

2.2. Board of Directors / Governing Board

2.2.1. The Board of Directors / Governing Board should prepare and adopt its rules of procedure defining its organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board. – RECOMMENDATION
Question to be answered: Does the Board of Directors / Governing Board have a rules of procedure in place defining the organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board?

2.2.2. The Company should publish the procedure used for nominating members of the Board of Directors / Governing Board. – RECOMMENDATION[5]
Question to be answered: Does the Company publish the procedure used for nominating Board of Directors / Governing Board members?

2.3. Supervisory Board

2.3.1. The Supervisory Board should provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan. The rules of procedure should cover the competence of the Supervisory Board,

[5] Please, refer to footnote 1. on page 12.

and the procedures for communicating information provided by the management and the Board of Directors. – RECOMMENDATION

Question to be answered: Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan?

2.4. Meetings of the Board of Directors / Governing Board and the Supervisory Board

2.4.1. In order to perform all of their duties, the Board of Directors / Governing Board and the Supervisory Board should regularly hold meetings at the intervals specified in the work plan, and provide an opportunity for the prompt discussion of any extraordinary event or matter, and for the relevant decision-making. The boards should set the dates and the proposed agendas of the meetings (work plan) in advance for the next year or half year. The boards should, in their rules of procedure, arrange the conduct of meetings that cannot be planned in advance or are to be convened in an emergency, and also cover decision-making using electronic telecommunications means. – RECOMMENDATION

Questions to be answered:

2.4.1.1. Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

2.4.1.2. Did the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means?

2.4.2. It should be the responsibility of the Chairman of the Board of Directors / Governing Board and/or the Chairman of the Supervisory Board to make the meeting agenda and the proposals available to members at least five days before the meeting, in order to facilitate timely and effective decision-making. The Company should arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board. – RECOMMENDATION

Questions to be answered:

2.4.2.1. Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

2.4.2.2. Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board?

2.4.3. The rules of procedure should regulate the regular or ad hoc participation of persons who are not members of the Board of Directors / Governing Board or the Supervisory Board (e.g. other stakeholders, managers etc.) at the meetings. – RECOMMENDATION

Question to be answered: Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings?

2.5. Members of the Board of Directors / Governing Board and the Supervisory Board

2.5.1. Members of the Board of Directors / Governing Board and the Supervisory Board should be nominated and elected using a transparent process. The Company should ensure the timely availability of all information relating to the identity and professional suitability of the candidates, at the latest by the time of publishing the relevant General Meeting proposal. When the candidates are named, shareholders should be informed about their professional experience and the relevant expertise that makes them eligible for membership in the respective board. This information should also cover all other important professional commitments of the candidate, and whether they can be considered independent according to the Company's opinion. Candidates, whose sex is under-represented in the given board, should be given preference during the nomination process, if they possess the same qualifications in terms of professional suitability, expertise and competence as the candidates of the other sex. – RECOMMENDATION

Question to be answered: Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting?

2.5.2. The number of Board of Directors / Governing Board and Supervisory Board members should be determined in a way to ensure maximum efficiency in the performance of corporate governance and control functions by boards. The size and composition of the Board of Directors / Governing Board should be determined to ensure adequate professionalism, and the optimal ratio of independent members and the cost level. The Company should seek to have both sexes represented in the Board of Directors / Governing Board and the Supervisory Board. – RECOMMENDATION

Question to be answered: Does the composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations?

2.5.3. The Company should offer personalised information for the newly elected Board of Directors / Governing Board and Supervisory Board members to help them become familiar with the structure and operation of the Company and their tasks to be carried out as members of the respective boards. – RECOMMENDATION

Question to be answered: Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards?

2.6. Independence of Governing Board / Supervisory Board members

2.6.1. At regular intervals, the Governing Board / Supervisory Board should request their members considered to be independent to confirm their independence. They should confirm their independence in the context of preparing the annual corporate governance report. – RECOMMENDATION

Question to be answered: Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

2.6.2. The Company should provide information about the tools which ensure that the Board of Directors / Governing Board assesses the management's activities objectively. – RECOMMENDATION
Question to be answered: Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities?

2.6.3. The Company should publish its guidelines concerning the independence of its Governing Board / Supervisory Board members as well as the applied independence criteria on its website. – RECOMMENDATION
Question to be answered: Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

2.6.4. The Company should not nominate a person to its Supervisory Board who has held any position in the Board of Directors / Governing Board or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation. – RECOMMENDATION
Question to be answered: Does the Supervisory Board of the Company have any members who has held any position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation?

2.7. Conflict of interest of Board of Directors / Governing Board and Supervisory Board members – insider trading

2.7.1. Members of the Board of Directors / Governing Board should inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence. – RECOMMENDATION
Question to be answered: Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence?

2.7.2. Transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company should be carried out in accordance with the Company's general business practice

but applying more stringent transparency rules compared to general business practice. In the case of deals outside the daily business, the transaction and its terms should be approved by the competent board. – RECOMMENDATION
Question to be answered: Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved?

2.7.3. Board members should inform the Supervisory Board (or the Audit Committee if a uniform governance system is in place) and the Nominating Committee (if any) if they receive an appointment for board membership or a management position from a company which is not a member of the Company Group. – RECOMMENDATION
Question to be answered: Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group?

2.7.4. In order to prevent insider trading, the Board of Directors / Governing Board should develop guidelines for the flow of information, the management of insider information and the trading in securities by insiders within the Company, and ensure continuous monitoring of compliance with these. The Board of Directors / Governing Board should be responsible for keeping records of persons with access to insider information as required by legal regulations. – RECOMMENDATION
Question to be answered: Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them?

2.8. Internal control systems and risk management

2.8.1. As an integral part of the system of internal controls, Companies should create an independent internal audit function (agent or employee), who reports directly to the Audit Committee / Supervisory Board. One of the independent members of the Audit Committee / Supervisory Board can also be appointed to this internal auditor position. – RECOMMENDATION
Question to be answered: Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

2.8.2. In order to allow Internal Audit to perform its functions effectively, the Company should ensure that Internal Audit has unrestricted access to all necessary information, documents, data and all persons involved in the activity and process being audited. – RECOMMENDATION
Question to be answered: Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

2.8.3. Shareholders should receive information about the operation of the system of internal controls at least annually. – RECOMMENDATION

Question to be answered: *Did shareholders receive information about the operation of the system of internal controls?*

2.8.4. As an integral part of the system of internal controls and in addition to the internal audit function, Companies should also have a function responsible for compliance with the legal regulations affecting Company operation and with other rules (internal regulations). – RECOMMENDATION

Question to be answered: *Does the Company have a function ensuring compliance (compliance function)?*

2.8.5. The Board of Directors / Governing Board or the committee appointed by it should be responsible for the supervision and management of the entire risk management of the Company and should be required to seek information about the results of the risk management procedures at least once a year, and present the findings to the annual General Meeting in the corporate governance report (either in a standalone form or as part of the annual report). – RECOMMENDATION

Questions to be answered:

2.8.5.1. Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company?

2.8.5.2. Did the relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures?

2.8.6. With the involvement of the relevant areas, the Board of Directors / Governing Board should develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company, also involving in the process all functions responsible for the design, operation, control of the risk management processes as well as the persons responsible for the implementation of these processes into the daily operation of the Company. – RECOMMENDATION

Question to be answered: *With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?*

2.8.7. The Board of Directors / Governing Board should define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives. – RECOMMENDATION

Question to be answered: *Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives?*

2.8.8. Internal controls system functions should report (either separately or jointly) to the competent board about the operation of internal control mechanisms and corporate governance functions at least once a year. – RECOMMENDATION

Question to be answered: Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year?

2.9. External Advisor, Auditor

2.9.1. The Company should have in place internal procedures regarding the use of external advisors and outsourced activities. – PROPOSAL
Question to be answered: Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

2.9.2. The Board of Directors / Governing Board should invite the Company's auditor in an advisory capacity to the meetings on financial reports. – RECOMMENDATION
Question to be answered: Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports?

Annexes

Annex 1

Information related to the Corporate Governance Report

Issuers should make statements about their corporate governance practice in two different ways. On the one hand, companies should give an accurate, comprehensive and clear account of the corporate governance practices they used in the given business year in their mandatory corporate governance report presented to the annual general meeting. That account should cover their corporate governance policy and also describe any extraordinary circumstances which may have occurred, in particular the following:

- A brief presentation of the operation of the Board of Directors / Governing Board, and the distribution of responsibilities and tasks between the Board of Directors / Governing Board and the management.
- An introduction of the Board of Directors / Governing Board, Supervisory Board and management members (for board members, also indicating each member's status of independence), a presentation of the boards structures.
- Specifying the number of meetings which the Board of Directors / Governing Board, Supervisory Board and committees held in the given period, completed with attendance rates.
- A presentation of the work done by the Board of Directors / Governing Board, the Supervisory Board and the management as well as the considerations for assessing their individual members. Specifying if the assessment carried out in the given period resulted in any changes.
- A report on the operation of each committee, elaborating on the professional background of committee members, the number of and the attendance rate at the meetings held as well as the major topics discussed at the meetings and a presentation of the general operation of each committee. When presenting the operation of the Audit Committee, any decision by the Board of Directors / Governing Board against the proposal of the committee should be mentioned (also including the explanations offered by the Board of Directors / Governing Board). The Company website, where all tasks delegated to the committees and the dates of the members' appointment must be published, should also be mentioned. (If this information is not available on the Company website, it must be included in the Corporate Governance Report.)
- A description of the system of internal controls, an evaluation of the activities performed in the given period. A report on the efficiency and effectiveness of the risk management procedures. (Information about where shareholders can access the Board of Directors / Governing Board report on the operation of internal controls.)
- Information on whether the auditor performed any activities not related to auditing.
- An overview of the Company's publication policy and its insider trading policy.
- An overview of the method of exercising shareholder rights.
- A brief presentation of the rules for the conduct of the General Meeting.

- Presentation of the issuer's compliance with Section IV. of Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts[6].
- Corporate Governance Report (Annex 2)

[6] Please, refer to footnote 1. on page 12.

Annex 2

Corporate Governance Report on compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, the Company makes a statement regarding the extent to which it has implemented in its own corporate governance practice the recommendations and proposals specified in the relevant sections of the Corporate Governance Recommendations issued by the Budapest Stock Exchange Ltd., by completing the following tables.
These tables provide an overview for the investors of the extent of the compliance - by the relevant company - with certain requirements set out in the Corporate Governance Recommendations at glance, and enable easy comparison of the practices of the specific companies.

The Recommendations contain both recommendations that are binding for all issuers and non-binding proposals. Issuers may derogate both from binding recommendations and non-binding proposals. In the event of derogation from the recommendations, issuers are required to publish and justify the derogation in their corporate governance reports ('comply or explain'). This enables issuers to take industry and company-specific requirements into account. Accordingly, even issuers derogating from the recommendations can comply with corporate governance requirements under specific circumstances. Concerning the proposals, issuers should indicate whether they apply a given guideline or not, and they can also explain any derogation from the proposals.

The basic principle and purpose of the corporate governance report is to have companies give a report of their previous business year and to reveal the measure of their compliance with the Recommendations. The Recommendations may, however, include recommendations and proposals relating to events which did not occur at the issuer in the given period. In accordance with the current practice, these 'event type' questions can be answered with 'YES' also when the relevant event did not occur in the business year (for instance, no dividend was paid, or no shareholders' comments were received for the proposals to be submitted prior to the General Meeting) if the Company would have responded to the occurrences of such events as set forth in the Recommendations, in line with the provisions of its Articles of Association or its practices. In a situation like that, the solution that comes closest to the principle of transparent operation is for the issuer to select YES and also to add an explanation that though the event in question did not occur in the previous business year, there are appropriate mechanisms in place to handle it.

Level of compliance with the Recommendations

The Company indicates whether it follows the relevant recommendation or not, and if not, briefly explains the reasons why it did not follow that specific recommendation.

1.1.1. Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks?

Yes **No**

Explanation:

1.1.2. Are the Company's Articles of Association available on the Company's website?

Yes **No**

Explanation:

1.1.4. If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents?

Yes **No**

Explanation:

1.2.1. Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders?

Yes **No**

Explanation:

1.2.2. Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded?

Yes **No**

Explanation:

1.2.3. Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

Yes **No**

Explanation:

1.2.6. The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting. (Answer Yes, if not)

Yes **No**

Explanation:

1.2.7. For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders?

Yes **No**

Explanation:

1.3.3. The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended. (Answer Yes, if not)

Yes **No**

Explanation:

1.3.4. By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements?

Yes **No**

Explanation:

1.3.5. Did the Company publish on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers?

Yes **No**

Explanation:

1.3.7. Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting?

Yes **No**

Explanation:

1.3.8.1. The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members. (Answer Yes, if not)

Yes **No**

Explanation:

1.3.8.2. For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)?

Yes **No**

Explanation:

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?

Yes **No**

Explanation:

1.3.10. Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting?

Yes **No**

Explanation:

Section 1.5 (and related questions) repealed[7]

1.6.1.1. Do the Company's publication guidelines cover the procedures for electronic, online disclosure?

Yes **No**

Explanation:

1.6.1.2. Does the Company design its by considering the aspects of disclosure and the information of investors ?

Yes **No**

Explanation:

1.6.2.1. Does the Company have an internal publication policy in place which covers the processing the information listed in Section 1.6.2 of the Recommendations document?

Yes **No**

Explanation:

1.6.2.2. Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication?

Yes **No**

Explanation:

1.6.2.3. Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

Yes **No**

Explanation:

1.6.2.4. Did the Company publish the findings of the efficiency assessment of the publication process?

Yes **No**

Explanation:

1.6.3. Did the Company publish its annual company event calendar?

Yes **No**

Explanation:

1.6.4. Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

Yes **No**

Explanation:

1.6.5. Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website?

Yes **No**

Explanation:

[7] Please, refer to footnote 1. on page 12.

1.6.6. Did the Company publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year?

Yes **No**

Explanation:

Item 1.6.7 and related questions (1-2) repealed[8]

1.6.7.1. Did the Company publish its remuneration guidelines in line with the recommendations set out in Section 1.5?

Yes **No**

Explanation:

1.6.7.2. Did the Company publish its remuneration statement in line with the recommendations set out in Section 1.5?

Yes **No**

Explanation:

1.6.8. Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management?

Yes **No**

Explanation:

1.6.9.1. Did the Company publish its guidelines relating to the trading of its shares by insiders?

Yes **No**

Explanation:

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company[9] in the annual report or in some other way?

Yes **No**

Explanation:

1.6.10. Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company?

Yes **No**

Explanation:

2.1.1. Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board?

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[8] Please, refer to footnote 1. on page 12.

[9] Please, refer to footnote 1. on page 12.

Yes **No**

Explanation:

2.2.1. Does the Board of Directors / Governing Board have a rules of procedure in place defining the organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board?

Yes **No**

Explanation:

2.2.2. Does the Company publish the procedure used for nominating Board of Directors / Governing Board members[10]?

Yes **No**

Explanation:

2.3.1. Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan?

Yes **No**

Explanation:

2.4.1.1. Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

Yes **No**

Explanation:

2.4.1.2. Did the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means?

Yes **No**

Explanation:

2.4.2.1. Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

Yes **No**

Explanation:

2.4.2.2. Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board?

Yes **No**

Explanation:

[10] Please, refer to footnote 1. on page 12.

2.4.3. Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings?

Yes **No**

Explanation:

2.5.1. Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting?

Yes **No**

Explanation:

2.5.2. Does the composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations?

Yes **No**

Explanation:

2.5.3. Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards?

Yes **No**

Explanation:

2.6.1. Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

Yes **No**

Explanation:

2.6.2. Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities?

Yes **No**

Explanation:

2.6.3. Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

Yes **No**

Explanation:

2.6.4. Does the Supervisory Board of the Company have any members who has held any position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation?

Yes **No**

Explanation:

2.7.1. Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence?

Yes **No**

Explanation:

2.7.2. Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved?

Yes **No**

Explanation:

2.7.3. Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group?

Yes **No**

Explanation:

2.7.4. Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them?

Yes **No**

Explanation:

2.8.1. Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

Yes **No**

Explanation:

2.8.2. Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

Yes **No**

Explanation:

2.8.3. Did shareholders receive information about the operation of the system of internal controls?

Yes **No**

Explanation:

2.8.4. Does the Company have a function ensuring compliance (compliance function)?

Yes **No**

Explanation:

2.8.5.1. Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company?

Yes **No**

Explanation:

2.8.5.2. Did the relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures?

Yes **No**

Explanation:

2.8.6. With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?

Yes **No**

Explanation:

2.8.7. Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives?

Yes **No**

Explanation:

2.8.8. Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year?

Yes **No**

Explanation:

2.9.2. Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports ?

Yes **No**

Explanation:

Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

1.1.3. Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person?

Yes **No**

(Explanation:)

1.2.4. Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

Yes **No**

(Explanation:)

1.2.5. Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results?

Yes **No**

(Explanation:)

1.3.1.1. Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

Yes **No**

(Explanation:)

1.3.1.2. In the event the Board of Directors/Governing Board and the Supervisory Board was absent, was it disclosed by the Chairman of the General Meeting before discussion of the agenda began?

Yes **No**

(Explanation:)

1.3.2.1. The Articles of Association of the Company did not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.(Answer Yes, if not)

Yes **No**

(Explanation:)

1.3.2.2. The Articles of Association of the Company did not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there. (Answer Yes, if not)

Yes **No**

(Explanation:)

1.3.6. Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?

Yes **No**

(Explanation:)

1.4.1. In line with Section 1.4.1, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents?

Yes **No**

(Explanation:)

1.6.11. Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11?

Yes **No**

(Explanation:)

1.6.12. Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

Yes **No**

(Explanation:)

2.9.1. Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

Yes **No**

(Explanation:)