

ALTEO Nyrt.’s
Remuneration Policy
established in respect of its directors

1 The objective of the Remuneration Policy

This Remuneration Policy established in respect of the directors of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság (hereinafter: “**ALTEO**” or “**Company**”) serves compliance with Act LXVII of 2019 on the Encouragement of Long-Term Shareholder Engagement and the Amendment of Certain Acts with a view to Legal Harmonization (hereinafter: “**Act**”).

The objective of this Remuneration Policy is

- a) for the Company’s shareholders to gain a clear, understandable and comprehensive overview of the Company’s remuneration principles determined in respect of officers defined as Directors below, enabling them, based on this, to make an informed decision regarding the Remuneration Policy at the Company’s general meeting;
- (ii) to contribute to the business strategy, long-term interests and sustainability of the Company;
- (iii) to ensure that the performance of officers defined as Directors below is assessed using both financial and non-financial performance criteria, including, where appropriate, environmental, social and governance factors.

2 Principles

ALTEO finds it essential that the principles of remuneration provided to directors are in line with the strategy of ALTEO and its subsidiaries as defined in Section 3 (2) 2) of Act C of 2000 on Accounting (hereinafter: “**Accounting Act**”) (ALTEO and its subsidiaries hereinafter collectively referred to as: “**ALTEO Group**”). By way of its Remuneration Policy, ALTEO provides benefits to its directors that are competitive relative to the situation of the Hungarian labor market, thereby encouraging and incentivizing them to accomplish the long-term strategic objectives and those set out in the business plans. ALTEO uses a share award scheme to ensure that the interests of Directors are aligned with those of shareholders, that key personnel are committed to the Company and focused on long-term value-creation. The Company also recognizes the accomplishment of objectives in a pecuniary fashion, however, in absence of such accomplishments the value of variable incentives may also be zero.

The benefit structure established on the basis of this Remuneration Policy and the payments made contribute to the Company’s business strategy, long-term interest and sustainability by increasing the vested interest of Directors in long-term value-creation – established through long-term strategic objectives generally characteristic of the energy industry and by way of projects with decade-long durations – and maximizing their commitment to ALTEO.

In the context of drawing up the Remuneration Policy, the Company took the salaries and employment conditions of its employees into consideration by ensuring that the principles of liability assumption and fairness are enforced in equal measure.

3 The scope of the Remuneration Policy

The entry into force of this Remuneration Policy is subject to its approval by the General Meeting of the Company through an advisory vote. This Remuneration Policy was drawn up for the ordinary session of the General Meeting convened for April 17, 2020 and, provided it is adopted by the General Meeting, shall enter into force without delay by the passing of the resolution and remain in force until the decision of the General Meeting stipulating otherwise, but for not more than three (3) years.

The personal scope of this Remuneration Policy extends to directors as defined in Section 2 (2) of the Act, who – as per the Company’s interpretation – at the time of the adoption of this Remuneration Policy shall

include the members of ALTEO's Board of Directors (**BoD**) or Supervisory Board (**SB**), as well as the Chief Executive Officer and the executive employees acting as Deputy CEOs, provided they are not members of the Board of Directors or Supervisory Board (hereinafter generally referred to as: "**Director**" or "**Directors**").

The provisions of this Remuneration Policy must be applied to the consideration provided by the Company to the Director in respect of their employment relationship, agency relationship or any other legal relationship aimed at the performance of work with the Company, including in particular the provision of wage, honorarium, reward, other pecuniary and non-pecuniary benefits, cost reimbursements, securities and other intangible property rights.

4 Remuneration Committee

ALTEO has no remuneration committee in place; tasks related to remuneration are performed by the Board of Directors.

5 Explanations facilitating interpretation

The list of Directors and their status, aiming to help the interpretation of the Remuneration Policy, are contained in Appendix 1.

For the purposes of this Remuneration Policy, base wage means the gross amount of the base wage as defined in Act I of 2012 on the Labor Code (hereinafter: "**Labor Code**"), and all benefit elements that are based on the base wage are incurred as gross amount costs at ALTEO but, after deduction of taxes and contributions, the Director shall receive the remaining net amount.

Where the Remuneration Policy refers to shares or share award, this refers to ordinary dematerialized series 'A' ALTEO shares issued by ALTEO with a face value of HUF 12.5 with ISIN identifier HU0000155726, or the transfer of title to such shares.

6 Overview of the remuneration of Directors

Members of the Board of Directors receive an equal amount of honorarium, while the honorarium of the Chairperson of the Board of Directors may only exceed the honorarium of regular members by 30% at the most. Pursuant to Article 13.11 of the Company's Articles of Association, among the members of the Board of Directors, the Chief Executive Officer, as well as BoD members who are – or also are – in an employment relationship with the Company qualify as executive members. Only executive Board of Directors members are tasked with preparing and implementing the decisions of the BoD and the operative governance of the Company, and non-executive BoD members are not involved in this part of the Company's operation. Non-executive members of the Board of Directors receive an honorarium, whose amount is determined by the General Meeting in a resolution. Beyond the honorarium, executive members of the Board of Directors receive benefits as set out in their respective employment contracts.

6.1 Remuneration provided to non-executive members of the Board of Directors

Name of remuneration element	Description of remuneration element	Body/person authorized to establish remuneration
Honorarium as a fixed remuneration element	The fixed-amount gross agency fee determined by the General Meeting concurrently with the appointment of the BoD member, which may be determined as installments payable monthly, quarterly or annually, and which serves as consideration for the tasks accompanying BoD membership. The honorarium must be set in an amount that is suitable to allow for the appointment of persons with skills and experience required for BoD membership, and which makes the acceptance of the position appealing. The General Meeting is entitled to review the honorarium at its own discretion during members' term.	General Meeting
Variable fee elements, rewards	Non-executive BoD members receive no benefits, rewards tied to the achievement of specific targets.	General Meeting
Share award	As per Section 7 of this Remuneration Policy.	General Meeting
Reimbursement of costs	No pre-defined cost reimbursement budget is available for non-executive BoD members, but at the same time, ALTEO reimburses necessary costs to a reasonable extent (e.g. travel and accommodation costs) that are incurred during the fulfillment of the obligations linked to BoD membership.	General Meeting
Other benefits	Non-executive BoD members are not beneficiaries of the Company's pension and health insurance program and receive no other additional benefits.	General Meeting

6.2 Remuneration provided to executive members of the Board of Directors

Executive members of the Board of Directors are also in an employment relationship with the Company and qualify as executive employees as per the Labor Code. The terms of the two legal relationships have been determined in view of one another, however, may be terminated or – following the appropriate legal act – amended independently of one another.

6.2.1 Benefits due on the basis of the agency relationship, in view of Board of Directors membership

Name of remuneration element	Description of remuneration element	Body/person authorized to establish remuneration
Honorarium as a fixed remuneration element	As per the terms specified for non-executive BoD members.	General Meeting
Share award	As per Section 7 of this Remuneration Policy.	General Meeting
Reimbursement of costs	No pre-defined cost reimbursement budget is available for executive BoD members, but at the same time, ALTEO reimburses necessary costs to a reasonable extent (e.g. travel and accommodation costs) that are incurred during the fulfillment of the obligations linked to BoD membership.	General Meeting

6.2.2 Benefits due based on the employment contract concluded with the Company

Base wage and other wage supplements, fees due pursuant to the Labor Code	The wage of BoD members corresponding to their position at the Company qualifies as a fixed benefit. The base wage must be determined on a market basis and at competitive levels, to ensure that it is suitable to attract and retain workforce with the skills and experience required for the performance of the task. The base wage is reviewed annually, between February and April, with any changes entering into force retroactively from the start of the calendar year. Such amendments are impacted by the performance of the individual and the business department falling under their scope of responsibility, the wage policy relating to all employees (general wage hike or cut), as well as comparative data (in particular wage data of companies and competitors listed on the BSE, that are of a size and market capitalization similar to ALTEO, or of a similar profile active in the industry).	The base wage is determined by the exerciser of employer's rights, based on negotiations conducted with the employee.
Annual bonus as a variable benefit element	The basis of the annual bonus is the base wage of the Director paid in a given calendar year, with the applicable rate being 130% thereof at the most. The maximum rate of the Director's annual bonus (bonus limit) must be set out in their employment contract. The Director's bonus targets must be set out in the bonus agreement concluded in writing each year.	Based on an agreement between the Director and the person exercising employer's rights over the Director in the name of the Company. Evaluation and payment are made in line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Extraordinary reward	Provided in the case of the outstanding performance of the Director, based on the decision of the Board of Directors, to the extent of 30% of the Director's annual base wage.	The person exercising employer's rights over the Director in the name of the Company.

Cafeteria	An amount corresponding to the Cafeteria policy uniformly applied in respect of all of the Company's employees, but 5% of the base wage of the Director paid in a given calendar year at the most.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Pension	Voluntary pension fund contribution, the rate of which is 6% of the base wage and which is paid by the Company on a monthly basis.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Health and accident insurance	An amount corresponding to the insurance policy uniformly applied in respect of all of the Company's employees, but 5% of the base wage of the Director paid in a given calendar year at the most.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Company car use, fuel cost reimbursement	To its executive BoD members, ALTEO ensures the use of vehicles with a value and trim level corresponding to their respective office and position. In the case of vehicles owned by ALTEO, the purchase price or rental/leasing fee, maintenance costs and fuel costs thereof are recognized under this benefit type. The value of benefits involving vehicle use may not exceed 30% of the annual base wage. The use of such vehicles for private purposes is permitted.	In line with the Company's applicable policy, which the CEO determines in respect of all employees of the Company in a differentiated manner for the respective positions.
Other low-value benefits	ALTEO provides Directors with mobile phones and laptops for use, which – with applicable IT and security regulations observed – may also be used for private purposes and, furthermore, Directors may also be beneficiaries of benefits provided to a wider range of employees (e.g. Santa Claus packages, participation at Family Days, etc.). The aggregate value of other benefits may not exceed 5% of the Director's annual base wage.	In line with the Company's applicable policy, which the CEO determines in respect of all employees of the Company in a differentiated manner for the respective positions.

6.3 Remuneration provided to members of the Supervisory Board

Members of the Supervisory Board of the Company perform their functions under an agency agreement and are elected by the General Meeting for a fixed term.

Name of remuneration element	Description of remuneration element	Body/person authorized to establish remuneration
Honorarium as a fixed remuneration element	The fixed-amount gross agency fee determined by the General Meeting concurrently with the appointment of the SB member, which may be determined as installments payable monthly, quarterly or annually, and which serves as consideration for the tasks accompanying SB membership. The honorarium must be set in an amount that is suitable to allow for the appointment of persons with skills and experience required for SB membership, and which makes the acceptance of the position appealing. The General Meeting is entitled to review the honorarium at its own discretion during members' term.	General Meeting

Variable fee elements, rewards	Members of the SB receive no benefits, rewards tied to the achievement of specific targets.	General Meeting
Share award	Members of the SB are not awarded shares.	General Meeting
Reimbursement of costs	No pre-defined cost reimbursement budget is available for SB members, but at the same time, ALTEO reimburses necessary costs to a reasonable extent (e.g. travel and accommodation costs) that are incurred during the fulfillment of the obligations linked to SB membership.	General Meeting
Other benefits	SB members are not beneficiaries of the Company's pension and health insurance program and receive no other additional benefits.	General Meeting

6.4 Remuneration provided to Directors who are not members of ALTEO's Board of Directors or Supervisory Board

Among Directors, key personnel that are involved in the Company's operative governance but are not members of elected executive (BoD) or supervisory (SB) bodies, are employed by ALTEO as executive employees, with their legal relationship subject to the provisions of the Labor Code.

Name of remuneration element	Description of remuneration element	Body/person authorized to establish remuneration
Base wage and other wage supplements, fees due pursuant to the Labor Code	The wage of the Director corresponding to their position at the Company qualifies as a fixed benefit. The base wage must be determined on a market basis and at competitive levels, to ensure that it is suitable to attract and retain workforce with the skills and experience required for the performance of the task. The base wage is reviewed annually, between February and April, with any changes entering into force retroactively for the calendar year. Such amendments are impacted by the performance of the individual and the business department falling under their scope of responsibility, the wage policy relating to all employees (general wage hike or cut), as well as comparative data (in particular wage data of companies and competitors listed on the BSE, that are of a size and market capitalization similar to ALTEO, or of a similar profile active in the industry).	The base wage is determined by the exerciser of employer's rights, based on negotiations conducted with the employee.
Annual bonus as a variable benefit element	The basis of the annual bonus is the base wage of the Director paid in a given calendar year, with the applicable rate being 120% thereof at the most. The maximum rate of the Director's annual bonus (bonus limit) must be set out in their employment contract. The Director's bonus targets must be set out in the bonus agreement concluded in writing each year.	Based on an agreement between the Director and the person exercising employer's rights over the Director in the name of the Company. Evaluation and payment are made in line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Extraordinary reward	Provided in the case of the outstanding performance of the Director, based on the decision of the Board of Directors, to the extent of 30% of the Director's annual base wage.	The person exercising employer's rights over the Director in the name of the Company.
Share award	As per Section 7 of this Remuneration Policy.	The person exercising employer's rights over the Director in the name of the Company.
Cafeteria	An amount corresponding to the Cafeteria policy uniformly applied in respect of all of the Company's employees, but 5% of the base wage of the Director paid in a given calendar year at the most.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.

Pension	Voluntary pension fund contribution, the rate of which is 6% of the base wage and which is paid by the Company on a monthly basis.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Health and accident insurance	An amount corresponding to the insurance policy uniformly applied in respect of all of the Company's employees, but 5% of the base wage of the Director paid in a given calendar year at the most.	In line with the Company's applicable policy, which the CEO determines uniformly in respect of all employees of the Company.
Company car use, fuel cost reimbursement	To its executive BoD members, ALTEO ensures the use of vehicles with a value and trim level corresponding to their respective office and position. In the case of vehicles owned by ALTEO, the purchase price or rental/leasing fee, maintenance costs and fuel costs thereof are recognized under this benefit type. The value of benefits involving vehicle use may not exceed 30% of the annual base wage. The use of such vehicles for private purposes is permitted.	In line with the Company's applicable policy, which the CEO determines in respect of all employees of the Company in a differentiated manner for the respective positions.
Other benefits	ALTEO provides Directors with mobile phones and laptops for use, which – with applicable IT and security regulations observed – may also be used for private purposes and, furthermore, Directors may also be beneficiaries of benefits provided to a wider range of employees (e.g. Santa Claus packages, participation at Family Days, etc.). The aggregate value of other benefits may not exceed 5% of the Director's annual base wage.	In line with the Company's applicable policy, which the CEO determines in respect of all employees of the Company in a differentiated manner for the respective positions.

6.5 Material terms and conditions of contracts concluded with Directors pertaining to the performance of work or functions

Contractual term	Policy applied
Term	<p>The agency agreement of BoD and SB members has a fixed term of five years at the most. The expiration of the term of subsequently elected BoD and SB members is aligned with the end of the term of previously elected members, meaning that the term of all members expires at the same time. The employment contract of Directors (also) employed under an employment relationship has an indefinite term.</p>
Rules pertaining to supplementary pension or early retirement	<p>The Company has no program in place relating to early retirement. The Company pays the voluntary pension fund contribution specified herein to the benefit of Directors employed under an employment relationship.</p>
Notice period, and the terms of contract termination	<p>The contract of BoD and SB members is terminated in the cases specified in Section 3:25 of the Civil Code. The General Meeting is entitled to recall such persons, even with immediate effect. BoD and SB members may resign from their position at any time, but if the operation of the Company so demands, such resignation will not become effective until the designation or appointment of the new executive officer, or in the absence thereof, the 60th day following the communication of such resignation at the latest.</p> <p>The employment contract of Directors (also) employed in the framework of an employment relationship may be terminated pursuant to the provisions of the Labor Code with the stipulation of a notice period of two (2) months at the least and six (6) months at the most, which is uniformly applicable to cases of termination by either the Director or the Company.</p>
Payments due in the event of termination of contract	<p>Departure from the provisions of the Labor Code on severance pay in the employment contracts of Directors (also) employed under an employment relationship is only possible to the benefit of the Director. In the agreement concluded in the employment contract in respect of the amount of severance pay, the Company may take into account the Director's service time at the Company's affiliated companies as per Section 3 (2) 7) of the Accounting Act, their age, labor market situation and personal circumstances, however, the severance pay payable to the Director based on the employment contract may only exceed the amount due to them pursuant to legal regulations by an amount equivalent to the base wage due for three (3) months at the most.</p> <p>The Company reserves the right to exempt the Director from work for the full notice period (garden leave).</p>

7 Share-based remuneration

7.1 Employee Share Ownership Plan (ESOP)

ALTEO wholeheartedly believes that its Directors and employees perform their tasks with greater commitment and with a veritable owner's approach if they are also shareholders of the Company, receive its profits and the value created and also share in the company's successes as well as its risks. In this spirit, the Board of Directors of ALTEO has put an employee share ownership plan in place, in the framework of which each year it distributes ALTEO shares owned by it in a value of HUF 10 million at the most – calculated at current price – to employees with the service time set out in the applicable policy and selected by the employees themselves by way of secret voting. Based on the plan, executive Directors may also be beneficiaries of the plan. The volume of shares available to be distributed as part of the plan is determined by the Board of Directors, with the terms of awarding determined by the CEO.

7.2 Share award to Directors

In addition to determining service time, and stipulating potential retention obligations (lock-up) or terms relating to alienation (minimum price, pre-emption rights, etc.), in the case of contribution to the business strategy, long-term interests and sustainability of the Company, the Company may determine share-based remuneration for Directors. Such share-based remuneration must be set out in the Remuneration Policy, and the allocation of shares on the basis thereof may only be implemented after an advisory vote by the General Meeting.

The Company currently provides no such remuneration, and the share plan specified in Chapter "Protection of acquired rights" of the Remuneration Policy does not qualify as remuneration falling under the scope of the Remuneration Policy.

7.3 Payment of annual bonus, as a variable benefit element, in shares

The Company reserves the right to pay maximum 50% of the variable fee elements and rewards, otherwise due to Directors in cash pursuant to the Remuneration Policy, in the form of transferring title to ALTEO shares to the Director. If such share transfer is realized, in the event of redeeming money for shares, the volume-weighted average price of the 30 trading days preceding the benefit falling due must be taken as basis.

8 Criteria of awarding variable remuneration and benefit elements, clawback, deferral period

8.1 Bonus

Bonus payment is subject to the fulfillment of

- a) financial and non-financial performance criteria; and
- b) criteria relating to corporate social responsibility

as set out in detail in the bonus agreement applicable to the subject period.

The above criteria are determined with a view to the business strategy, long-term interests and sustainability of the Company.

When measuring the fulfillment of measurable criteria, the Company takes the percentage ratio of such fulfillment into consideration. Fulfillment of non-measurable criteria is accepted by the Company if the given criterion is fulfilled in full. When determining the above criteria, the Company is also entitled to use other evaluation methods which are reasonable or are known and accepted in the market.

If the legal relationship of the Director is terminated prior to the end of the subject period affected by the bonus, settlement is performed based on objectives accomplished to date, proportionate to performance.

8.2 Extraordinary reward

Extraordinary rewards may be given for performance by the Director exceeding their regular scope of responsibility, or in recognition of extraordinary performance or result within their scope of responsibility.

8.3 Clawback

Rewards paid lawfully, on the basis of fulfilled criteria, cannot be clawed back. Clawback is applicable in the case of infringements, in particular if:

- payment was made based on a material error committed in the Company's reports, statements; or
- the Director presented the objective or result – set as a criterion for payment – as accomplished in a deceiving and misleading manner, or if at the time of the awarding of the payment the person authorized to make the decision was in error for other reasons;
- the Director received the payment as a result of an infringement committed by them or by a third party;

Clawback claims may be enforced by the Company against the Director within the labor law limitation period.

8.4 Deferral period

The Company applies no deferral period in respect of variable remuneration elements.

9 Non-competition

The Company concludes non-compete agreements with all its Directors. The term of the non-compete obligation is at least three (3) months and twelve (12) months at the most from termination of the legal relationship. The Company reserves the right to unilaterally shorten the non-competition period stipulated upon the establishment of the legal relationship, or to include the garden leave period therein, or – in justified cases – to unilaterally waive the non-compete agreement. In exchange for the fulfillment of obligations undertaken in the non-compete agreement, the Company may determine consideration due to the Director equivalent to one third, or 100% at the most, of their honorarium and/or base wage due for the same period, with a view to the Director's qualifications and experience as well as the extent to which non-competition hinders their career down the line.

10 Measures taken in the interest of preventing and managing conflicts of interest

The Company sets out conflict of interest regulations for all its Directors. Beyond the conflict of interest rules stipulated in respect of executive employees as defined in the Labor Code, the Company also requires Directors to report any political or social roles they may assume, as well as other activities and legal relationships not qualifying as conflicts of interest. In respect of conflicts of interest, Directors make applicable declarations upon concluding their contract, and confirm the declarations on an annual basis. The Company reserves the right to, at the request of the Director, grant exemptions in individual cases from conflict of interest rules, after a decision made with in-depth examination and due care.

11 Appointment and employment of a new executive Director

In respect of the appointment and employment of the new executive Director, the Company makes a recommendation concerning the benefit package based on the Remuneration Policy effective at the time of their appointment, election or at the time of making the offer. As part of the determination of the benefit package, the Company takes various factors into account, such as the qualifications, skills and experience of the candidate, their labor market situation, comparative data related to wages, the candidate's wage demands and the remuneration of Directors that have been working at the Company for a longer time. In the framework of the decision, the Company ensures that the agreement concluded with the new Director serves the interests of both the Company and shareholders, and strives to ensure that it does not pay more than required for securing the services of the most suitable candidate. If this is deemed to be the most appropriate method, the Company may offer remuneration to a candidate external to the Company, for the given candidate to leave their previous employer and work for the Company (signing bonus). If the Company offers a signing bonus

to the new Director, it may tie this to additional conditions (accomplishing given results or performance), and shall determine its amount to ensure that it does not exceed the loss suffered by the new Director for leaving their previous employer. Such signing bonus cannot exceed six months of base wages paid to the CEO.

Prior to the determination of remuneration paid to the new executive Director, the Company thoroughly weighs whether the performance expected from the candidate and their expected contribution to the Company's profits and results are proportionate to the remuneration. The benefit package offered to the new Director must be in alignment with this Remuneration Policy, and overall cannot exceed 100% of the annual benefits provided to the CEO at the time of making the offer.

In case of a new executive Director arriving from within the ALTEO Group organization, the Company respects all earlier agreements concluded with them and not falling under the scope of this Remuneration Policy (such as participation in a share plan), and the same is true for any agreements concluded with persons joining the Company through acquisition, company law or employer legal succession and becoming a Director down the line, however, these shall be disclosed in the Remuneration Report.

12 Fee payment established in respect of the termination of the legal relationship of Directors

If the legal relationship of any Director is terminated on account of or for reasons that can be traced back to the transformation of the Company or change of control over the Company, the Company reserves the right to pay benefits to the Director equivalent to maximum six times their monthly base wage and – provided they are eligible – their honorarium based on a separate legal agreement, in addition to the benefits otherwise due to them pursuant to agreements or legal regulations. In the event of termination of the legal relationship of an executive Director, the Company may, after a decision made with in-depth examination and due care, also make such payments based on a written agreement, even in the absence of transformation or change of control.

13 Protection of acquired rights

The Company reserves the right to pay remuneration to its Director in relation to their work performance or in respect of the termination of the contract, even if such remuneration is not in line with the provisions of this Remuneration Policy, provided that such remuneration is based on an agreement i) concluded prior to the entry into force of this Remuneration Policy or ii) concluded with the Director prior to the acceptance of their position and not in the interest of accepting the position (so-called signing bonus) and iii) that is not unlawful at the time of its conclusion, or is not based on a written agreement that goes against good morals; and furthermore, iv) such payments are subsequently made public by the Company in the Remuneration Report.

At the time of the entry into force of this Remuneration Policy, the Employee Share Ownership Plan operated under the scope of the ALTEO ESOP Organization qualifies as such an item, the remuneration policy of which is available at https://www.bet.hu/newkibdata/123499344/ALTEO_MRP_JP_20161214.pdf. The key terms and conditions of the establishment of the ESOP Organization and of the remuneration policy have been approved by the General Meeting in resolutions nos. 5/2015. (XI.10.), 6/2015. (XI.10.), 7/2015. (XI.10.) and 12/2016. (IV.19.).

14 Departure from the Remuneration Policy

Pursuant to the Act, the Company is only allowed to derogate from the Remuneration Policy in exceptional circumstances and only on a temporary basis. Exceptional circumstances are situations where the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Departure is only possible in respect of the elements of the Remuneration Policy listed below, only based on a decision made by the Board of Directors made by simple majority, and in respect of only the following benefits provided to executive Directors on the basis of employment relationship:

- base wage and wage supplements
- reward

At the time of passing the resolution on departure from the Remuneration Policy, no vote shall be cast by those BoD members who, by the resolution, would receive remuneration, would be exempted from an obligation or responsibility or would gain certain other kind of advantage to the detriment of the Company.

15 Adoption, amendment and implementation of the Remuneration Policy

The draft of the Remuneration Policy is drawn up by the Board of Directors of the Company and – after having been adopted by a resolution passed by simple majority – it is submitted to the General Meeting for an advisory vote. The Board of Directors reviews the Remuneration Policy at least every three years, and if it deems its amendment to be justified, it submits the revised version of the Remuneration Policy to the General Meeting for approval.

If the General Meeting rejects the proposed Remuneration Policy, the Board of Directors must submit the revised remuneration policy for a repeated advisory vote at the next General Meeting.

If the Policy is revised, it must contain the description and explanation of all material changes implemented in respect of the Remuneration Policy since the last General Meeting vote, and must also present how it takes the opinions and votes of shareholders regarding the Remuneration Policy and the reports into consideration.

Implementing the Remuneration Policy is the task and responsibility of the Chief Executive Officer. The CEO informs the Board of Directors as needed about the implementation of the Remuneration Policy, prepares and submits to the Board of Directors the draft of the Remuneration Report and also reports on the Company's situation to the Supervisory Board four times each year, as part of which it also details the implementation of the Remuneration Policy.

16 The Remuneration Report

The Company's Board of Directors prepares the Remuneration Report on an annual basis based on the proposal by the CEO, approves the Report by way of simple majority and, after an audit conducted by the Company's permanent auditor, submits it to the ordinary annual session of the General Meeting for an advisory vote with the opinion of the Supervisory Board attached.

The Remuneration Report provides a comprehensive overview of the remuneration, including all benefits in whatever form, awarded to Directors in accordance with the Remuneration Policy during, or based on the results of, the previous business year, as well as the elements mandatorily set out in Section 19 (2) and (3) of the Act while respecting applicable data protection provisions.

Following the resolution of the General Meeting, the Company makes the Remuneration Report publicly available – free of charge – on its website for a period of at least ten (10) years.

This Remuneration Policy was approved by the Company's General Meeting with its resolution passed on ###/4/17/2020.

Appendix 1

to the Remuneration Policy submitted to the Company's General Meeting on April 17, 2020:

Directors of the Company and their term of mandate.

Members of the Board of Directors

Name	Executive BoD member	Position	Start of term	End of term
Attila László Chikán	yes	Member of the BoD entitled to hold the title of CEO	1/27/2015	4/30/2020
Domonkos Kovács	yes	Member of the BoD, Deputy CEO, M&A and capital markets	1/27/2015	4/30/2020
Gyula Zoltán Mező	no	Chairman of the BoD	11/10/2015	4/30/2020
Zsolt Müllner	no	Member of the BoD	2/1/2015	4/30/2020
Ferenc Karvalits	no	Member of the BoD	4/19/2016	4/30/2020

Members of the Supervisory Board

Name	Position	Start of term	End of term
István Zsigmond Bakács	Chairman of the SB	4/27/2015	4/30/2020
Dr. István Borbíró	Member of the SB	4/27/2015	4/30/2020
Péter Jancsó	Member of the SB	4/27/2015	4/30/2020
Dr. János Lukács	Member of the SB	4/27/2015	4/30/2020
Noah M. Steinberg	Member of the SB	4/27/2015	4/30/2020

Directors (also) in an employment relationship with the Company

Name	Executive BoD member	Position	Start of employment	Duration of employment
Attila László Chikán	yes	Member of the BoD entitled to hold the title of CEO	9/1/2010	indefinite
Domonkos Kovács	yes	Member of the BoD, Deputy CEO, M&A and capital markets	3/1/2012	indefinite
Zoltán Bodnár	no	Chief Financial Officer (CFO)	2/19/2018	indefinite

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