

## Corporate Governance Statement

### on compliance with the provisions of the BSE's Corporate Governance Recommendations

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The Board of Directors of the company, as part of the Report on Corporate Governance, states to what extent it has applied, in respect of its own governance, the principles and recommendations enshrined in the specified sections of the Corporate Governance Recommendations ("CGR") issued by the Budapest Stock Exchange (BSE).

By reviewing the statement, market participants can easily find information on the extent to which the corporate governance practices of the individual companies comply with the particular specifications set forth in the CGR, and furthermore can easily compare the practices of individual companies to one another.

#### **The Board of Directors of E-Star Alternative Plc.**

The Board of Directors of E-Star Alternative Plc. consists of six individuals.

<b>Name</b>	<b>Position</b>
<u>Csaba Soós</u>	Chairman of the Board
<u>Akos Kassai</u>	Vice-Chairman of the Board
<u>Dániel Molnos</u>	Member of the Board
<u>Jacek Piotr Krawczyk</u>	Member of the Board
<u>Prof. Konrad Wetzker, Dr.sc.</u>	Member of the Board
<u>Maximilian N. Teleki</u>	Member of the Board

The Board of Directors is the company's executive body, which exercises its rights, obligations and responsibilities as a corporate body in accordance with the Act on Business Associations and with the provisions of other applicable statutory instruments. Falling within the scope of duties and authority of the board of directors are the making of all decisions that on the basis of the authority granted under the law or the Articles of Association do not fall within the scope of authority of the shareholders' meeting or other body. The operation of the Board of Directors and its scope of duties and authority are regulated by the Act on Business Associations.

The shareholders' meeting elects the members of the board of directors for an indefinite period of time. The CEO exercises the rights of employer over the company's employees, while the board of directors exercises such rights over the CEO. On the basis of the authorisation of the shareholders' meeting, the board of directors is entitled, in order to prepare decisions, to authorise the operation of committees, as well as of advisory or other bodies. The rights of the members of the Board of Directors to representation and procuration are independent of this.

#### **The Supervisory Board of E-Star Alternative Plc.**

The Company's Supervisory Board, consisting of four members, remains informed of significant events occurring at the Company, and participates in the process of examining the preparation of the financial statements, and then accepts them and prepares a report on them. The members of the Supervisory Board are as follows:

<b>Name</b>	<b>Position</b>
Dr. József Veress	Chairman of the SB
Gyula Bakacsi	Member of the SB

Dr. Zoltán Vereczkey	Member of the SB
András Gábor Kazár	Member of the SB

The Supervisory Board monitors the management of the Company on behalf of the company's supreme organ. In this capacity, it may request information from the executive officers and may examine the Company's books and documents. The Supervisory Committee acts as a four-person body, which elects a Chairman from among its own members.

In respect of the Supervisory Board's scope of duties and authority, as well as of its organisation and operation, the provisions of the Act on Business Associations apply as appropriate. The mandate of the members of the Supervisory Committee is for an indefinite term.

**The Audit Committee of E-Star Alternative Plc:**

A three-person Audit Committee also operates at the company, whose members are elected by the shareholders' meeting in respect of the same term as the members of the Supervisory Board.

Name	Position
Dr. József Veress	Member of the AC
Gyula Bakacsi	Member of the AC
Dr. Zoltán Vereczkey	Member of the AC

The scope of duties and the authority of the Audit Committee extend to all such matters as the law and the authorisation granted it under the founding deed place within its scope of authority. The Audit Committee elects a chairman from among its members, and passes its resolutions by simple majority.

The size and structure of the Company do not warrant the establishment of any additional committees.

**The Auditor for E-Star Alternative Plc.:**

It is the task of the elected auditor of the Company to arrange for the performance of the audit defined in the accounting act, and in the course of this, and above all, to determine whether the Company's financial report as per the accounting act is compliant with the statutory requirements, and whether it presents a true and fair picture of the net-worth and financial position of the Company and of the results of its operations.

Company's auditor for the period from 31 August 2009 to 31 August 2014:

Name: BDO Forte Audit Könyvvizsgáló Kft.  
Registered office: 1126 Budapest, Nagy Jenő u. 10.,  
Company registration number: Cg. 01-09-867785  
Chamber licence number: 002387

The individual personally liable for the audit:

Name: Szilvia Janda, certified auditor  
Address: 2016 Leányfalu, Hunyadi J. u. 31.  
Mother's maiden name: Ágnes Baki  
Auditor's registration number: 005924

**E-Star Alternative Plc.'s principles in relation to public disclosure:**

The company publishes its notices on its website ([www.e-star.hu](http://www.e-star.hu)) and, as required, on the websites of the Budapest Stock Exchange and of the Hungarian Financial Supervisory Authority (HFSA), and sends them to the media. The company publishes its notices in the Company Gazette if this is

prescribed by the statutory regulations. Since 22 March 2011 the Company has made its notices public through the electronic information network system (ESPI) maintained by the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego*).

With respect to the publishing of the announcements, and to their regularity and content, the relevant statutory regulations and the regulations of the Budapest Stock Exchange, KELER and the HFSA apply.

### **Exercising of shareholders' rights, representation:**

The right of participation in the shareholders' meeting and other rights associated with the share may be exercised by the shareholder (shareholder's proxy, and in the case of jointly owned shares, the common representative) who has been recorded in the share register by 17.00 hours on the second (2nd) working day preceding the initial day of the shareholders' meeting (closing of the share register), and by that time the Company has received the ownership certificate issued by the securities account keeper. If the above condition is not met, the shareholder shall not be permitted to participate in the shareholders' meeting and exercise voting or other rights.

The securities account keeper shall issue the ownership certificate for the share at the request of the shareholder. The ownership certificate shall contain the business name of the Company, the type of the share, the number of shares, the company name of the securities account keeper and its authorised signature, the name (business name) of the shareholder, and his residential address (its registered office). The ownership certificate shall remain valid until the day of the shareholders' meeting or the repeated shareholders' meeting.

The effective date of the ownership certificate shall not be earlier than the seventh (7th) day preceding the shareholders' meeting.

Following the issuance of the ownership certificate the securities account keeper may only record any change on the securities account in respect of the share subject to the simultaneous withdrawal of the ownership certificate.

The Company shall assume no liability for any consequences of negligence on the part of the securities account keepers.

The closing of the share register prior to the shareholders' meeting shall not restrict the right of the person recorded in the share register with respect to the transfer of his shares after the closing of the share register. Any transfer of the share prior to the initial date of the shareholders' meeting shall not preclude the right of persons recorded in the share register to participate in the shareholders' meeting and exercise their rights as shareholders.

If the shareholder is not a natural person, then the person acting as its proxy shall certify his right of representation. (Certificate of incorporation not older than 30 days, specimen signature)

The shareholder may exercise his rights associated with the share in person or by proxy.

The authorisation shall be submitted to the Company in the form of a notarial deed or private document of full probative force, by the 2nd day preceding the shareholders' meeting at the latest. If such authorisation is not adequate in terms of form or substance, or it is submitted late, the authorised person shall not be permitted to participate in the shareholders' meeting or to exercise voting and other rights.

The authorisation for representation shall be valid for one shareholders' meeting only.

If called on by the Board of Directors, the shareholder (custodian, shareholder's proxy, and in the case of jointly owned shares, the common representative) shall state immediately who is the beneficial owner of the shares. If the shareholder does not make the above statement when called upon to do so, his voting right shall be suspended within the prescribed deadline until he has fulfilled his obligation in respect of providing information.

### **Conduct of the shareholders' meeting, adoption of resolutions:**

The Company shall hold the shareholders' meeting in the venue and at the time specified in the invitation; it shall prepare a list of attendees, containing the names of the attending shareholders and their proxies, and also a record (minutes) of the proceedings that took place at the shareholders' meeting, in the manner and with the contents prescribed by law. The Board of Directors may invite any person to the shareholders' meeting of the Company and grant the right of expressing opinions or making verbal contributions to such person, if the Board of Directors is of the opinion that the presence and the opinions of such person will enhance the information provided to the shareholders or facilitate the adoption of resolutions at the shareholders' meeting.

The registration of the shareholders shall begin one hour prior to the start time of the shareholders' meeting. In the course of registration the shareholder, after providing evidence of his identity, residential address and right of proxy and after signing the list of attendees, shall collect the voting sheet containing the number of votes to which that shareholder is entitled, according to the number of shares indicated in the closed share register.

Voting at the shareholders' meeting shall take place by a show of voting slips. The shareholders' meeting shall elect a vote counter (or vote-counting committee) at the proposal of the chairperson of the shareholders' meeting, to conduct the voting. The meeting of the supreme body is chaired by the chairperson elected by the shareholders' meeting.

Every ordinary share shall entitle its holder to one vote, and thus the shareholder shall have one vote for each share of a par value of HUF 10.

The shareholders' meeting shall adopt its resolutions by way of a simple majority of the votes cast, unless a provision of the law or, based on an authorisation granted by the law, the articles of association, or a stock-exchange regulation obligatorily applicable in respect of the Company's operation, make a higher ratio of votes obligatory.

### **Remuneration Statement**

The Board of Directors of E-Star Alternative Plc, in accordance with Section 312/A of Act IV of 2006 on Business Associations, informs the company's investors of the names of the members of the Board of Directors and of the Supervisory Board, as well as of all pecuniary or non-pecuniary benefits provided to the members in such capacity of theirs, per member, and itemised by the legal heading of the various benefits.

#### **I. BOARD OF DIRECTORS**

<b><u>NAME</u></b>	<b><u>HONORARIUM</u></b>
Csaba Soós	USD 4300 / month
Ákos Kassai	USD 4300 / month
Dániel Molnos	USD 4300 / month
Jacek Piotr Krawczyk	USD 4300 / month
Prof. Konrad Wetzker, dr. sc.	USD 4300 / month
Maximilian N. Teleki	USD 4300 / month

## **II. SUPERVISORY BOARD**

<b><u>NÉV</u></b>	<b><u>HONORARIUM</u></b>
Dr. József Veress	HUF 300 000 / month
Dr. Gyula Bakacsi	HUF 300 000 / month
András Gábor Kazár	HUF 300 000 / month
Dr. Zoltán Vereczkey	HUF 300 000 / month

The company assures that this information is made available continuously on its website.

### **Level of compliance with the Recommendations**

**The company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.**

R 1.1.1 The Managing Body ensured that shareholders received access to information in time to enable them to exercise their rights.

Yes (Complies)

No (Please explain)

R 1.1.2 The company applies the "one share - one vote" principle.

Yes (Complies)

No (Please explain)

R 1.2.8 The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.

Yes (Complies)

No (Please explain)

R 1.2.9 Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.

Yes (Complies)

No (Please explain)

The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.

Yes (Complies)

No (Please explain)

R 1.2.10 Shareholders' comments on and supplements to the items on the agenda were published at least two days prior to the general meeting.

Yes (Complies)

No (Please explain)

R 1.3.8 Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.

Yes (Complies)

No (Please explain)

Written comments made on the items on the agenda were published two working days prior to the general meeting.

Yes (Complies)

No (Please explain)

R 1.3.10 The election and dismissal of executives took place individually and by separate resolutions.

Yes (Complies)

No (Please explain)

R 2.1.1 The responsibilities of the Managing Body include those laid out in 2.1.1.

Yes (Complies)

No (Please explain)

R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.

Yes (Complies)

No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

Yes (Complies)

No (Please explain)

The rules of procedure of the Managing Body provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies)

No (Please explain)

The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communication channels.

Yes (Complies)

No (Please explain)

R 2.5.1 The Management Board of the company has a sufficient number of independent members to ensure the impartiality of the board.

**Yes** (Complies)

No (Please explain)

R 2.5.4 At regular intervals (in connection with the CG Report) the Managing Body requested a confirmation of their independent status from those members considered independent.

Yes (Complies)

**No** (Please explain)

The independent members of the Board of Directors were elected less than one year ago.

R 2.5.5 At regular intervals (in connection with the CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.

**Yes** (Complies)

No (Please explain)

R 2.5.7 The company disclosed on its website the guidelines on the independence of the Managing Body and the Supervisory Board, as well as the criteria applied for assessing independence.

Yes (Complies)

**No** (Please explain)

The Company applies the criteria defined in the Act.

R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).

Yes (Complies)

**No** (Please explain)

No such situation arose.

R 2.6.2 Transactions between board and executive management members (and persons in close relationship to them) and the company (or its subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules in place.

**Yes** (Complies)

No (Please explain)

Transactions which according to 2.6.2, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).

Yes (Complies)

**No** (Please explain)

There was no such transaction.

R 2.6.3 Board members informed the Supervisory Board/Audit Committee if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group.

Yes (Complies)

**No** (Please explain)

No such situation arose.

R 2.6.4 The Managing Body established its guidelines on information flow within the company and the handling of insider information, and monitored compliance with those guidelines.

**Yes** (Complies)

No (Please explain)

The Managing Body established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

**Yes** (Complies)

No (Please explain)

R 2.7.1 The Managing Body formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

**No** (Please explain)

The Company has not yet had any need for such guidelines.

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies)

**No** (Please explain)

The Company has not yet had any need for such guidelines.

The guidelines regarding the remuneration for the Managing Body and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate item on the agenda.

Yes (Complies)

**No** (Please explain)

The Company has not yet had any need for such guidelines.

R 2.7.2 The Managing Body prepared an evaluation of the work it carried out in the given business year.

**Yes** (Complies)

No (Please explain)

The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

**Yes** (Complies)

No (Please explain)

R 2.7.3 It is the responsibility of the Managing Body to monitor the performance of and determine the remuneration for the executive management.

Yes (Complies)

**No** (Please explain)

The CEO exercises the rights of employer over the Company's employees.

The frameworks of benefits due to members of the executive management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

Yes (Complies)

**No** (Please explain)

The CEO exercises the rights of employer over the Company's employees.

R 2.7.4 The structure of share-incentive schemes were approved by the general meeting.

**Yes** (Complies)

No (Please explain)

Prior to the decision by the general meeting on share-incentive schemes, shareholders received detailed information (at least according to those contained in 2.7.4).

**Yes** (Complies)

No (Please explain)



R 2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.

Yes (Complies)

No (Please explain)

The Remuneration Statement includes information about the remuneration of individual members of the Managing Body, the Supervisory Board, and the executive management.

Yes (Complies)

No (Please explain)

The statement included the remuneration of the members of the Board of Directors and of the Supervisory Board in compliance with the provisions of the statutory regulations.

R 2.8.1 The Managing Body or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes (Complies)

No (Please explain)

The Managing Body requests information on the efficiency of risk management procedures at regular intervals.

Yes (Complies)

No (Please explain)

The Managing Body took the necessary steps to identify the major risk areas.

Yes (Complies)

No (Please explain)

R 2.8.3 The Managing Body formulated the principles regarding the system of internal controls.

Yes (Complies)

No (Please explain)

The system of internal controls established by the executive management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.

Yes (Complies)

No (Please explain)

R 2.8.4 When developing the system of internal controls, the Managing Body took into consideration the viewpoints included in 2.8.4

Yes (Complies)

No (Please explain)

R 2.8.5 It is the duty and responsibility of the executive management to develop and maintain the system of internal controls.

Yes (Complies)

No (Please explain)

R 2.8.6 The Company created an independent Internal Audit function which reports to the Audit Committee.

Yes (Complies)

No (Please explain)

The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanisms and corporate governance functions.

Yes (Complies)

**No** (Please explain)

The internal audit function has only recently been established at the company, and therefore it has not proved necessary so far for a report to be prepared.

R 2.8.7 The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee.

Yes (Complies)

**No** (Please explain)

The internal auditor of the Company does not carry out his duties on the basis of an authorisation or mandate from the Audit Committee; however, at the latter's request, the internal auditor provides it with all necessary information related to internal audits.

As an organisation, the Internal Audit function is independent from the executive management.

**Yes** (Complies)

No (Please explain)

R 2.8.8 The Internal Audit schedule was approved by the Managing Body (Supervisory Board) based on the recommendation of the Audit Committee.

**Yes** (Complies)

No (Please explain)

R 2.8.9 The Managing Body prepared its report for shareholders on the operation of internal controls.

Yes (Complies)

**No** (Please explain)

Due to the size of the Company, this has not yet become necessary.

The Managing Body developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.

Yes (Complies)

**No** (Please explain)

Due to the size of the Company, this has not yet become necessary.

R 2.8.11 The Managing Body identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.

**Yes** (Complies)

No (Please explain)

R 2.9.2 The Managing Body, the Supervisory Board and the Audit Committee were notified in all cases when an assignment given to the auditor may have resulted in significant additional expense, caused a conflict of interest, or affected normal business practices significantly in any other way.

Yes (Complies)

**No** (Please explain)

No such situation arose.

R 2.9.3 The Managing Body informed the Supervisory Board of any assignment given to the external auditor or an external advisor in connection with any event which held significant bearing on the operations of the company.

Yes (Complies)

**No** (Please explain)

No such situation arose.

The Managing Body pre-determined in a resolution what circumstances constitute "significant bearing".

Yes (Complies) **No** (Please explain)

In this matter the Company regards the statutory provisions as being definitive.

R 3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

**Yes** (Complies) No (Please explain)

R 3.2.1 The Audit Committee monitored the efficiency of risk management, the operation of internal controls, and the activity of the Internal Audit.

**Yes** (Complies) No (Please explain)

R 3.2.3 The Audit Committee received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor, and received the auditor's report on problems discovered during the audit.

Yes (Complies) **No** (Please explain)

No such situation arose.

R 3.2.4 The Audit Committee requested the new candidate for the position of auditor to submit the disclosure statement according to 3.2.4

Yes (Complies) **No** (Please explain)

The Company's auditor did not change.

R 3.3.1 There is a Nomination Committee operating at the company.

Yes (Complies) **No** (Please explain)

Due to the size of the Company, this has not yet become necessary.

R 3.3.2 The Nomination Committee provided for the preparation of personnel changes.

Yes (Complies) **No** (Please explain)

There is no Nomination Committee.

The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.

Yes (Complies) **No** (Please explain)

There is no Nomination Committee.

The Nomination Committee evaluated the activity of board and executive management members.

Yes (Complies) **No** (Please explain)

There is no Nomination Committee.

The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body.

Yes (Complies) **No** (Please explain)

There is no Nomination Committee.

R 3.4.1 There is a Remuneration Committee operating at the company.  
Yes (Complies) **No** (Please explain)

Due to the size of the Company, this has not yet become necessary.

R 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

R 3.4.3 The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines and the remuneration of individual persons.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.  
Yes (Complies) **No** (Please explain)

There is no Remuneration Committee.

R 3.4.7 The majority of the members of the Remuneration Committee are independent.  
Yes (Complies) **No** (Please explain)  
There is no Remuneration Committee.

- R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees.  
 Yes (Complies) **No** (Please explain)  
 There is no Remuneration Committee.
- R 3.5.2 The Managing Body carried out the duties of the Remuneration and Nomination Committees and disclosed its reasons for doing so.  
 Yes (Complies) **No** (Please explain)  
 There is no Remuneration Committee.
- R 4.1.1 In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.  
 Yes (Complies) **No** (Please explain)  
 The Company regards the statutory provisions as being definitive in respect of matters of disclosure.
- R 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.  
**Yes** (Complies) No (Please explain)
- R 4.1.3 The company's disclosure guidelines include the procedures governing electronic, on-line disclosure.  
**Yes** (Complies) No (Please explain)  
 The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.  
**Yes** (Complies) No (Please explain)
- R 4.1.4 The Managing Body assessed the efficiency of disclosure processes.  
**Yes** (Complies) No (Please explain)
- R 4.1.5 The company published its corporate events calendar on its website.  
**Yes** (Complies) No (Please explain)
- R 4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.  
**Yes** (Complies) No (Please explain)
- R 4.1.8 In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.  
 Yes (Complies) **No** (Please explain)  
 The auditor received no such assignments.
- R 4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management.  
**Yes** (Complies) No (Please explain)

R 4.1.10 The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.  
**Yes** (Complies) No (Please explain)

R 4.1.11 In the annual report and in the Remuneration Statement on the company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.  
**Yes** (Complies) No (Please explain)

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.  
Yes (Complies) **No** (Please explain)

The company did not disclose any risk management guidelines.

R 4.1.13 In order to provide market participants with information, the company publishes its report on corporate governance at the same time that it publishes its annual report.  
**Yes** (Complies) No (Please explain)

R 4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.  
Yes (Complies) **No** (Please explain)

The Company proceeds according to the rules set forth in the statutory regulations.

The company published in the annual report and on its website ownership in the company's securities held by the members of the Managing Body, the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes.  
**Yes** (Complies) No (Please explain)

R 4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Managing Body and the executive management with a third party, which might have an influence on the operations of the company.  
Yes (Complies) **No** (Please explain)

There are no such relations.

### **Level of compliance with the Suggestions**

The company should indicate whether the relevant suggestion of the CGR is applied or not (– Yes / No)

S 1.1.3

The company has an investor relations department.

**Yes** / No

S 1.2.1

The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy).

**Yes** / No

S 1.2.2

The company's articles of association are available on the company's website.

**Yes** / No

S 1.2.3

The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).

**Yes** / No

S 1.2.4

Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.

**Yes** / No

S 1.2.5

The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.

**Yes** / No

S 1.2.6

Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting.

**Yes** / No

S 1.2.7

The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by shareholders.

**Yes** / No

S 1.2.11

At the shareholders' request, the company also provided information on the general meeting electronically.

**Yes** / No

S 1.3.1

The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.

**Yes** / No

S 1.3.2

The Managing Body and the Supervisory Board were represented at the general meeting.

**Yes** / No

S 1.3.3

The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.

Yes / No

S 1.3.4

The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.

Yes / No

S 1.3.5

The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.

Yes / No

S 1.3.6

The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.

Yes / No

S 1.3.7

The company published a press release and held a press conference on the decisions passed at the general meeting.

Yes / No

S 1.3.11

The company's general meeting decided on the different amendments of the articles of association in separate resolutions.

Yes / No

S 1.3.12

The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.

Yes / No

S 1.4.1

The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.

Yes / No

S 1.4.2

The company disclosed its policy regarding anti-takeover devices.

Yes / No

S 2.1.2

The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.

Yes / No



S 2.2.1

The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.

Yes / No

S 2.3.2

Board members had access to the proposals of a given meeting at least five days prior to the board meeting.

Yes / No

S 2.3.3

The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.

Yes / No

S 2.4.1

The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.

Yes / No

S 2.4.2

The composition of boards and the number of members complies with the principles specified in 2.4.2

Yes / No

S 2.4.3

Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.

Yes / No

S 2.5.2

The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.

Yes / No

S 2.5.3

The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.

Yes / No

S 2.5.6

The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.

Yes / No

S 2.7.5

The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.

Yes / No

S 2.7.6

In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.

Yes / No

S 2.8.2

The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.

**Yes** / No

S 2.8.10

When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10

Yes / **No**

S 2.8.12

The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee.

Yes / **No**

S 2.9.1

The rules of procedure of the Managing Body, the Supervisory Board and the committees cover the procedure to be followed when employing an external advisor.

**Yes** / No

S 2.9.4

The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.

**Yes** / No

S 2.9.5

The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.

**Yes** / No

S 3.1.2

The chairmen of the Audit Committee, Nomination Committee, Remuneration Committee (and any other committees operating at the company) regularly inform the Managing Body about the meetings of the committee, and the committees prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

**Yes** / No

S 3.1.4

The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.

**Yes** / No

S 3.1.5

The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5

**Yes** / No

S 3.2.2

The members of the Audit Committee were fully informed about the accounting, financial and operational peculiarities of the company.

**Yes** / No

S 3.3.3

The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body on the operation of the Managing Body and the work and suitability of the members of the Managing Body.

Yes / **No**

S 3.3.4

The majority of the members of the Nomination Committee are independent.

Yes / **No**

S 3.3.5

The rules of procedure of the Nomination Committee includes those details contained in 3.3.5

Yes / **No**

S 3.4.5

The Remuneration Committee prepared the Remuneration Statement.

Yes / **No**

S 3.4.6

The Remuneration Committee exclusively consists of non-executive members of the Managing Body.

Yes / **No**

S 4.1.4

The disclosure guidelines of the company at least extend to those details contained in 4.1.4

Yes / **No**

The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.

Yes / **No**

S 4.1.7

The company's financial reports followed IFRS guidelines.

**Yes** / No

S 4.1.16

The company also prepares and releases its disclosures in English.

**Yes** / No

Budapest, 29.03.2011

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