

Appennin Vagyonkezelő Holding Nyrt.

(1118 Budapest, Kelenhegyi út 43. B. ép. V. em.
company registration number: 01-10-046538)

REMUNERATION POLICY

Date: Budapest, 26 March, 2020.

1. Preamble

The purpose of this policy is for **Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság** to ensure the efficient and successful implementation of the remuneration policy, thus to specify principles ensuring safe and prudent operation, which are in line with the Company's business strategy, targets, values, long-term interests and sustainable business profitability.

Under the present effective Remuneration Policy, the Company specifies guidelines and an incentive structure only related to the executives and employees falling under the personal scope of this Remuneration Policy. The principles of the specification of the general performance-oriented remuneration applicable to all employees of the Company are included in the Company's Remuneration Statute.

2. Definitions

Appeninn Nyrt.: Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság (registered office: 1118 Budapest, Kelenhegyi út 43. B. ép. V. em. 1. company registry number: 01-10- 046538, hereinafter referred to as: **Company** or **Appeninn Nyrt.**)

Base Salary: the employee's total remuneration for a month paid by way of bank transfer, the amount of which is specified in the employment agreement and the relevant amendments of the same.

Board of Directors: The Board of Directors of the Company. In accordance with the Company statutes, in accordance with Section 3:285 of the Civil Code, instead of a Management Body and a Supervisory Board, the Company has a Board of Directors implementing a uniform management system. The Board of Directors is charged with the tasks of the Management Body and the Supervisory Board as laid down by the law.

Bonus: a one-time performance acknowledgement, which may be given to the employees on top of the Base salary specified in the Company's Remuneration Statute, in the event of the performance of a specific task, subsequent to the performance of such task. Subjective right is not applicable, as the employer is entitled to consider the provision of such bonuses.

Remuneration: Allowances provided directly or indirectly by the Company to its employees in the form of money, in kind, pecuniary rights or in any other form.

Remuneration Statute: A set of rules containing the principles of the determination of the general performance-oriented remuneration applicable to all employees of the Company, as approved by the Board of Directors of the Company.

General Meeting: The General Meeting of the Company

Labour Code (Mt): Act I of 2012 on the Labour Code

Employee: Natural persons in a contractual relationship with the Company with regard to employment; for the purposes of this policy executives only.

Premium: a one-time performance acknowledgement, which may be given to the employees on top of the Base Salary specified in the Company's Remuneration Policy, in the event of the achievement of a specific performance, subsequent to the performance of such task.

Civil Code (Ptk): Act V of 2013 on the Civil Code

Performance evaluation: the evaluation and assessment of the performance and the achievement of

set targets by the Employees during a specific evaluation period

Key Performance Indicators (KPIs): Index numbers related to the Company's financial profitability and the efficiency indicator, which numerically presents the employee's contribution to the achievement of the Company's goals.

Executives: Employees specified in Section 208, Paragraphs (1) and (2) of the Labour Code

3. Purpose and content of the Remuneration Policy

3.1. The purpose of the Remuneration Policy is to ensure the implementation of a remuneration policy and practice in line with efficient and beneficial risk management, enhancing the application of the same, which is also in line with the Company's long-term vision. The Remuneration Policy shall contribute to the Company's business strategy, long-term interests and sustainability. The Remuneration Policy and the allowances provided based on the same, shall ensure by way of the long-term incentive of corporate performance, that the Employees' interests meet the Company's interests.

3.2. The remuneration scheme applied by the Company is expected to

- not encourage unjustifiably high risk taking, and
- align the personal goals of the Company's executives and employees with the Company's business goals.

3.3. The Remuneration Policy shall include:

- the personal, material and time scope of the Remuneration Policy
- remuneration principles applied by the Company
- the forms of allowances applied in the course of the implementation of the Remuneration Policy
- the specification of the different fixed and variable elements of the remuneration, including the premiums and other forms of allowances, which can be provided to the executives, also specifying their relative proportion,
- the presentation of the method of the consideration of the salary and employment conditions of the Company's employees in the scope of the establishment of the Remuneration Policy,
- the performance evaluation methods, performance criteria,
- requirements related to the determination of certain forms of remuneration,
- determination of the rate of the base salary and the performance-related remuneration
- rules related to the payment of the remuneration,
- the term of the agreement made with the Directors, related to the remuneration with regard to the employment or assignment, or any other related remuneration, the applicable notice period, the main characters of supplementary pension or early retirement schemes and payments in the event of termination,
- in the event of variable remuneration, the criteria of provision, the conditions of the deferral period and the cases of reclaim
- the method of regular review, implementation and disclosure of the Remuneration Policy, including the measures taken in order to prevent and manage conflicts of interest,
- the applicable financial and non-financial performance criteria

4. Term, acceptance, implementation and amendment of the Remuneration Policy

4.1. Personal scope of the Remuneration Policy

The Remuneration Policy shall be applicable to the Directors and Executives of the Company. In the scope of this Policy, Directors are:

- A) the members of the Board of Directors

For the purposes of this Policy, Executives are considered as:

- A) employees specified in Section 208, Paragraph (1) of the Labour Code, that is the Chief Executive Officer,
- B) employees specified in Section 208, Paragraph and (2) of the Labour Code

4.2. Material scope of the Remuneration Policy

This Remuneration Policy shall specify the rules related to the remuneration provided to the Directors and Executives, and shall also regulate the Company's obligations, which promote compliance with the regulations related to remuneration.

The Remuneration Policy shall be applicable to all payments and allowances provided by the Company to those entitled to the same, if paid as a counter service in return for the service provided by the members of the Board of Directors.

4.3. Time scope of the Remuneration Policy

The provisions included in this Remuneration Policy shall be applicable from the 2020 financial year.

5. Fundamental principles applicable during the application of the Remuneration Policy

- the Remuneration Policy shall be in line with the Company's targets, interests and values, business strategy and also includes measures related to the avoidance of conflicts of interest,
- establishment of a scope of interests, which prefers the implementation of long-term goals in contrast with short-term goals,
- application of certain requirements, under the regulatory framework, in line with the special characteristic features of the Company with regard to the Company's size, internal organisation, type of activity and legal form (principle of proportionality).
- selection of performance remuneration means, which encourages the employees under the scope of the Policy to contribute to the successful long-term operation of the Company
- the fixed and variable elements of the entire remuneration scheme shall be balanced; the fixed element shall make up for an appropriately significant portion of the entire remuneration, ensuring that a totally flexible policy can be applied with regard to the variable element of the remuneration, amongst others, the option of no variable element at all;
- the variable element of the remuneration is subject to performance, and is based on the joint evaluation of the Company's and the individual's performance, the Company's results, and upon the evaluation of individual performance, financial and non-financial criteria are

- also taken into consideration
- remuneration schemes at all times shall take into consideration competences, evaluation of certain positions, skills and performance,
- in the scope of payments related to the termination of employment (e.g. severance payment) - in compliance with the effective labour laws and rules - variable remuneration may not be paid, if the performance is not appropriate,

6. Approval, implementation, review and amendment of the Remuneration Policy

The Company's Chief Executive Officer shall be liable for the implementation of the Remuneration Policy.

The Board of Directors shall accept the general principles of the Remuneration Policy, and the Remuneration Policy itself, and shall also make decisions on the necessary amendments.

The Audit Committee of the Company shall subject the proper implementation of the Remuneration Policy to an annual independent audit during which the compliance of the Remuneration Policy with the principles approved by the Board of Directors shall be reviewed.

The implementation of the Remuneration Policy shall be reviewed by the Company's Audit Committee on an annual basis. The Audit Committee shall submit, to the Board of Directors, proposals with regard to the necessary amendments learned in the scope of the review.

This Remuneration Policy may only be amended in writing, based on the decision made by the Board of Directors.

The Remuneration Policy shall be submitted to the General Meeting of the Company for the purpose of giving opinion. The Remuneration Policy shall be put on the agenda of the General Meeting in case of significant changes, but at least every quarter.

The Remuneration Policy shall be disclosed on the Company's website in accordance with the rules related to acceptance

7. Remuneration forms

7.1. Remuneration provided to Executives

The Directors considered as the Company's executives shall perform their activities in the frame of an agency agreement. Executives are elected by the General Meeting of the Company for an indefinite period, and the termination of this legal relationship shall be governed by the rules of the Civil Code. They shall receive an agency fee in return for their activities, the amount of which shall be determined by the General Meeting of the Company. Executives shall not receive any other remuneration or premium on top of the agency fee, and their remuneration is non-variable. The amount of remuneration shall be specified so that it is aligned with the rate of responsibility, the work of the executive, and the social acknowledgement of the given position, as well as its place and role in the economic sector.

The agency fee of executives shall be reviewed by the General Meeting of the Company on an annual basis.

The fact, if the executive of the Company is also an employee of the Company, shall not prevent the

reception of remuneration as specified in this Remuneration Policy - with regard to the employment - and the Company's Remuneration Statute.

7.2. Remuneration of the Company's Executives

In the scope of the development of the Remuneration Policy, the conditions of the remuneration of employees shall be specified by the Company based on the evaluation of the employee's competence, the complexity of the performed tasks, the employee's performance and the responsibility related to the position. The Company's intention is to make the labour agreements with the Employees for an indefinite period. Provisions specified in Section 208, Paragraphs (1) and (2) of the Labour Code shall be applicable to the Executives. The Company shall apply the relevant provisions of the Labour Code with regard to the termination of employment.

The fixed elements of the remuneration of the Company's Executives are the base salary (wage), cafeteria, and the variable elements are the Premium. Executives shall receive cafeteria benefits and refund expenses in accordance with the Company's effective Remuneration Statute. Executives shall be entitled to use a company car in accordance with the provisions of the Company's relevant regulations.

Executives may only have the expenses refunded, which arise in connection with their activity, to the extent specified in the annual plan. The Company shall not apply pension allowances, severance payment different from those specified in the labour regulations, or other forms of remuneration payable upon the termination of the employment, not including the amounts paid in accordance with agreements related to the termination of the employment, based on which the employee may not start another job at other organisations of similar scope of activity for a specific period of time.

In accordance with Section 228 of the Labour Code, the Company shall support the conclusion of agreements with the persons specified by the Board of Directors, according to which the employee is not entitled to start another job at other organisations of similar scope of activity for a specific period of time. In order for the Company's interests to be protected, such agreements may be made with employees, who are in significant positions from the aspect of the operation of the Company and its subsidiaries, and the Company and its subsidiaries are interested in such person not starting a job at other organisations of similar scope of activity. In order for these conditions to be met, the Chief Executive Officer shall propose the person of the employee and the conditions of the agreement, and such agreement may be signed by two members of the Board of Directors or the Chief Executive Officer alone, based on the authorisation given by the Chief Executive Officer.

The amount of the variable element of the Executive's remuneration shall not exceed 30% of the Executive's base salary.

7.2.1. Base salary

The remuneration of employees paid monthly by way of bank transfer, the amount of which is specified in the employment agreement, and which reflects the complexity and role of the position as well as the weight of the same in the organisation, and in the scope of the determination or amendment of which, personal performance, skills and competence are taken into account.

7.2.2. Fringe benefits

The Company applies fringe benefits to all employees, which are specified in the Company's Remuneration Statute.

7.2.3. Performance-related remuneration (variable remuneration)

Performance-related remuneration is at all times related to the employee's individual performance. The Employees to which the Remuneration Policy is applicable may receive Premium once a year based on their performance in the previous year. The amount of performance premium is specified in the annual business plan. Targets related to the Premium as well as the possible amount of the Premium shall be specified by the person exercising employer rights.

The Company, based on the Chief Executive Officer's proposal, shall specify the scope of those receiving performance-related remuneration and the rate of performance-related remuneration in a transparent and consistent manner, by considering the different added values of different expertise types and positions. The determination of performance-related remuneration is related to the achievement of corporate goals, as well as the targets reached by the individual person.

Upon the determination of Company goals, it is the pre-tax profit, and with regard to personal targets, it is the individual targets, which shall be specified. The effects of unplanned extraordinary projects on costs or profits shall not be taken into consideration. The achievement of certain goals shall be checked and evaluated semi-annually. Performance-related remuneration may only be paid subsequent to the performance of the evaluation. Evaluation shall be given by the person exercising employer rights based on the annual stock exchange reports, the annual report, as well as the achievement of individual targets.

The Chief Executive Officer shall report to the Board of Directors on the implementation of the Company's targets on a semi-annual basis.

In the scope of performance evaluation, the appropriate rate of quantitative and qualitative requirements shall be specified subject to the evaluated employee's activity and scope of responsibility. The principles related to the rate of quantitative and qualitative requirements shall be documented and determined by the Company for each employee.

Premium shall be paid in money. Employees shall only receive Premiums, and Premiums shall only be paid out, if such payments do not endanger the Company's financial situation and liquidity.

The instalments of performance-related remuneration shall be entered in the accounts by no later than 30 June of the following year.

The index numbers of the incentive scheme of the Remuneration Policy are on one hand, the main numbers of the annual business plan, and on the other hand, the index numbers related to social responsibility specified in the annual business plan. In the scope of the Company's activity, the Company shall put great emphasis on sustainability, the support of disadvantaged groups, ethical behaviour, value creation, which are also supported by the incentive scheme. The person exercising

employer rights, when specifying variable remuneration - related to performance - that gives the basis for targets, shall specify index numbers related to the social responsibility of the Company.

Payment made in the scope of the incentive scheme of the Remuneration Policy shall be made in one amount. In the year following the reporting year, subsequent to the evaluation of annual index numbers, accounting shall be based on the maximum amount until the last business day of the 6th month after the reporting year.

The Company shall support the share option program for the Chief Executive Officer, Executives and the chief executive officers of subsidiaries so that executives can be more and more interested in the growth of the Company's long-term value and the beneficial changes of the exchange rate. The Board of Directors shall establish the share option program for a definite period of time, in order to enhance loyalty and commitment, and the detailed conditions of the program shall be approved by the General Meeting.

8. Rules related to the payment of the remuneration

Special rules related to the payment of remuneration shall not be specified by the Company, as they are regulated in the Labour Code at all times.

9. Rules of retention

Performance related remuneration can only be paid to the Executives, if the Company's financial situation is sustainable. The right of reclamation shall be granted to the Company in the agreement specifying the performance-related remuneration made with the Executive of the Company for the case, when within three years of the payment of the performance-related remuneration, the Chief Executive Officer of the Company commits a crime against the Company's property as specified in the effective criminal code.

10. Miscellaneous provisions

Disclosure of the Remuneration Policy and the remuneration

The Company's Remuneration Policy is public and available on the Company's website.