
CORPORATE GOVERNANCE REPORT

During the operation **DUNA HOUSE HOLDING Nyilvánosan Működő Részvénytársaság** (headquarters: 1016 Budapest, Gellérthegy utca 17.; commercial register code: Cg. 01-10-048384, hereinafter referred to as "*Company*") fully complies with the applicable legal requirements, in particular, with the provisions of Act V of 2013 on the Civil Code ("*Civil Code*") and of Act CXX of 2001 on capital markets ("*Act on capital markets*"), as well as the regulations of the Budapest Stock Exchange ("*BSE*") and those of the Hungarian National Bank ("*HNB*").

The organisational structure and operating conditions of the Company are contained in the prevailing statutes and rules of procedure of its individual bodies in addition to the fact that the functioning of the Company and of its individual bodies at all times complies with the principles contained in this Corporate Governance Report.

I. A Brief Presentation of the Board of Directors' Operation

The Board of Directors functions as the Company's management.

Among the objectives and activities of the Board of Directors the shareholder value, the efficiency and increasing profitability are of key importance. All these are implemented in such a way that the operation fully complies with the external regulations and business ethics. The powers of the Board of Directors are determined by the legislation, Company's Statutes and Rules of Procedure of the Board of Directors.

The competence of the Board of Directors includes making decisions on all matters which do not fall within the exclusive competence of the General Meeting, including, in particular:

- a) Convening the Company's ordinary and extraordinary general assemblies; adoption of the rules of procedure of the Board;
- b) Submission of the Annual Report in accordance with the Accounting Act and of a proposal for the use of the profit after tax to the Supervisory Board and the General Meeting;
- c) Preparation and submission to the Annual General Meeting of the report on the management, on
- d) Making decisions relating well as on the annual and medium-term plans;
- e) Making decisions related to the acquisition of another company, or acquisition of a part of its registered capital (share capital) and/or establishment of another company;
- f) Increasing the registered capital on the basis of a resolution;
- g) Making decisions regarding taking or provision of loans;
- h) Acquisition of own shares based on the authorisation of the General Meeting, their disposal;
- i) Making decisions on the acceptance of a public purchase offer made for the own share;
- j) Registering rights, facts and data that are required by law and are to be registered in the company register at the Companies Court;
- k) Authorising the Company's employees to represent the Company in a group of issues;

The Company's organisational structure is developed by the Board of Directors.

The Rules of Procedure are adopted by the Board of Directors itself.

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The Board of Directors makes its decisions by a simple majority of votes, unless provided otherwise in respect of certain issues in the rules of procedure of the Board of Directors.

Members of the Board of Directors are elected by the General Meeting, and the Board membership is established upon acceptance. The Board of Directors does not have independent members, the Company expects independence only from the Supervisory Board members performing the audit.

The Board membership shall be terminated:

- a) in case of fixed-term mandate, upon expiry of the mandate,
- b) in case of mandates with a terminating condition, upon occurrence of the condition,
- c) upon removal,
- d) upon resignation,
- e) upon the board member's death,
- f) upon limiting a board member's legal capacity in the scope of required to carry out this or her activity, or
- g) upon occurrence of an excluding or incompatibility reason affecting the board member.

The Company's Statutes make it possible for the Board members to fill executive and supervisory board positions in business entities whose main economic activity is identical to that of the Company's. The primary reason for this is the circumstance that the Company is a member of the DUNA HOUSE Group within which there are further business organisations whose principal business activities are the same as those pursued by the Company.

Members of the Board

Gay Dymischiz, appointed for an indefinite period with effect from 31 March 2015.

Doron Dymischiz, appointed for an indefinite period with effect from 31 March. 2015.

Ferenc Máté, appointed for a period from 20 April 2017 until 31 May 2021.

Dániel Schilling, Board Member, appointed for a period from 18 April 2019 until 31 May 2021.

dr. Jenő Nagy, Board Member, appointed for a period from 20 April 2018 until 31 May 2021.

The Company's representation is performed by the members of the Board of Directors.

For a given category of issues, the Board of Directors may grant the right of representation to the Company's employees. An employee authorised to represent may not transfer his or her right of representation to others.

The Board members shall be entitled to sign on behalf of the Company as follows:

- a) Gay Dymischiz together with any other board member,
- b) Doron Dymischiz together with any other board member,
- c) Ferenc Máté together with Gay Dymischiz or with Doron Dymischiz,
- d) Dániel Schilling together with Gay Dymischiz or with Doron Dymischiz,
- e) Jenő Nagy together with Gay Dymischiz or with Doron Dymischiz

in accordance with the specifications contained in the specimen signature or in the signature sample countersigned by an attorney.

The Board of Directors elects its Chairman from among its members.

The Board of Directors exercises its rights and responsibilities as a body. The division of responsibilities and powers among the members of the Board of Directors - including the exercise of employer's rights - is set in the Rules of Procedure adopted by the Board of Directors.

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Members of the Board of Directors take part in the Company's General Meeting in an advisory capacity.

A board meeting can be convened by the Chairman of the board or by a member of the board by indicating the reason and purpose of the meeting. Minutes of the meeting must be kept. The Chairman of the Board conducts the board meeting, appoints the person to keep the minutes of the meeting, orders the voting and announces its results. Resolutions are passed by a simple majority.

Every year, the annual ordinary General Meeting includes in its agenda the evaluation of the work performed by the Board of Directors in the previous business year, and makes a decision on the indemnification to be granted to the Board.

II. Presenting the Division of Responsibilities and Duties Between the Board of Directors and the Management

In the periods between the meetings of the Board of Directors, the Company's operational management is performed by the following members of the Company's Board: Doron Dymshiz, Gay Dymshiz, Ferenc Máté and Dániel Schilling while the strategic management of the Company is the responsibility of board members Gay Dymshiz and Doron Dymshiz.

With individual responsibility, the operational management deals with issues in the context of the legislation in force, the Statutes, the Rules of Procedure of the Board of Directors and in the framework of the decisions made by the General Meeting and the Board of Directors.

The operational management can delegate its powers - generally or by way of ad hoc provisions, in the scope of the company's internal administration - to its managers and employees with a job description with the understanding that the possible limitation of the powers of the members of the Management arising from the membership has no legal effect against third parties.

The Chairman of the Board - in case of hindrance Gay Dymshiz, board member - has the entitlement to make decisions in all matters that do not fall within the competence of the General Meeting or the Board of Directors.

The Chairman of the Board of Directors implements the resolutions and decisions made, and manages the performance of tasks within the scope of activities carried out by the Company.

III. A Brief Presentation of the Supervisory Board's Operation

Following the dual management structure, there is a Supervisory Board at the Company which carries out the supervision of the Company's management and business. The principle of independence is fully enforced with respect to all members of the Supervisory Board.

The Supervisory Board consists of at least three members.

The Supervisory Board establishes its own rules of procedure.

Members of the Supervisory Board are obliged to personally participate in the work of the Supervisory Board.

Members of the Supervisory Board are independent of the legal person's management and cannot be instructed in their activities.

Members of the Supervisory Board are elected by the General Meeting. The Supervisory Board membership is established upon acceptance.

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The Supervisory Board membership is terminated:

- a) in case of fixed-term mandate, upon expiry of the mandate,
- b) in case of mandates with a terminating condition, upon occurrence of the condition,
- c) upon removal,
- d) upon resignation,
- e) upon the Supervisory Board member's death;
- f) upon limiting the Supervisory Board member's legal capacity in the scope required to carry out his or her activity;
- g) upon occurrence of an excluding or incompatibility reason affecting the Supervisory Board member.

The powers and duties of the Supervisory Board include, among others, the following:

- a) control the Board
- b) provide opinion on all significant business policy reports as well as on the corporate governance report submitted to the General Meeting
- c) provide opinion on the Company's annual report and annual consolidated report prepared in accordance with the International Financial Reporting Standards, as well as on the Board's proposal for the use of the after-tax profit of the Company.

The Supervisory Board has the entitlement to inspect the Company's documents, accounting registers, the books, to request information from the Board members and the employees, to inspect the Company's payment account, cash-desk and its contracts with the involvement of an expert. The Supervisory Board may requests information from the executive officers and from the Company's senior managers.

The General Meeting can make a decision on the Company's annual report and annual consolidated report prepared in accordance with the International Financial Reporting Standards only in possession of the Supervisory Board's written report.

At least 21 days prior to the annual ordinary General Meeting, but in any case in time in accordance with applicable laws, the Supervisory Board must prepare a written report to the General Meeting containing conclusions on issues that are within its remit.

If the Supervisory Board considers that the activities of the board violate the law, the Statutes and/or the resolutions of the General Meeting, or otherwise are detrimental to the interests of the company or of the shareholders, it shall convene an extraordinary session of the Assembly and shall propose its agenda.

The Supervisory Board acts as a body. It elects a Chairman from among its members.

The Supervisory Board shall have a quorum if two-thirds, but at least three of its members are present. Its members shall act in person, there shall be no representation in the activities of the Supervisory Board. The members in this capacity cannot be instructed by the Company's shareholders or by their employer. In case of failure or improper fulfilment of their obligation to implement control, the supervisory board members bear responsibility for damages caused to legal entities in conformity with the rules of liability for damage caused by breach of contract to the legal entity.

The Supervisory Board determines the Rules of Procedure itself, to be approved by the General Meeting. It holds sessions as necessary, but at least four times a year.

It can mandate any of its members with an inspection task, or can share the control related tasks among the members on a permanent basis.

The Supervisory Board shall meet at the times it deems necessary, but at least four times a year. The Supervisory Board makes its decisions by a simple majority of those present, unless the Rules of Procedure of the supervisory board provide otherwise.

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Members of the Supervisory Board:

Károly Redling, appointed for a period from 20 April 2017 until 31 May 2021.

Balázs Sándorfi, appointed for a period from 20 April 2017 until 31 May 2021.

Dr. Hajdu György Martin, appointed for a period from 20 April 2017 until 31 May 2021

IV. A Brief Presentation of the Audit Committee's Operation

The Audit Committee is a body assisting the work of the Company's Supervisory Board in the provision of opinion, evaluation and in making recommendations. Its powers are defined by law, the Company's Statutes, the resolutions of the General Meeting and the Rules of Procedure..

The Audit Committee consists of three members elected by the General Meeting from among the members of the Supervisory Board. At least one member of the Audit Committee must have accounting or auditing qualifications.

The competence of the Audit Committee shall cover:

- a) provision of opinion on the financial statements prepared in accordance with the International Financial Reporting Standards;
- b) follow-up the audit of the financial statements prepared in accordance with the International Financial Reporting Standards;
- c) making a proposal for the person of the auditor and his/her remuneration;
- d) Monitoring the enforcement of the professional requirements with respect to the auditor and the requirements related to the auditor's independence and conflict of interest, and – if necessary – making proposals for the supervisory board on measures to take; and
- e) Assisting the work of the Supervisory Board for a proper control of the financial reporting system.

Members of the Audit Board::

Károly Redling, appointed for a period from 20 April 2017 until 31 May 2021.

Balázs Sándorfi, appointed for a period from 20 April 2017 until 31 May 2021.

Dr. Hajdu György Martin, appointed for a period from 20 April 2017 until 31 May 2021.

V. Long-Term Auditor

The long-term auditor of the Company is elected by the General Meeting.

Keeping the principle of independence in mind, this position shall not be filled by the Company's shareholder, executive officer (member of the Board of Directors), a member of the Supervisory Board, their relative, or by the Company's employee during the existence of such legal status and for three years following its termination.

The appointment of an auditor is for a fixed period which shall not be longer than five years. The auditor may be re-elected. The auditor's mandate can be terminated by recalling by decision of the General Meeting, upon expiry of the period covered by the contract concluded with the auditor, upon the occurrence of the statutory grounds for disqualification, and upon termination by the auditor of the contract.

The Auditor is responsible for carrying out audits in accordance with the standards, and for presenting his/her findings in an independent auditor's opinion as to whether the company's

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financial statements comply with the relevant legislation, and for providing a true and fair view of the company's assets, liabilities, financial and earnings situation and the economic results of the operation.

The Company's permanent auditor on the date of adoption of this Corporate Governance Report: **BDO Magyarország Könyvvizsgáló Korlátolt Felelősségű Társaság** (registered office: 1103 Budapest, Kőér utca 2/A. Commercial register code: Cg. 01-09-867785).

Person responsible for the audit: Péter Kékesi (1158 Budapest, Neptun u. 90.).

The permanent auditor is appointed for a period from 01 June 2018 until 31 May 2021.

The Company invites the Auditor to the General Meeting which adopts financial statements.

The auditor did not perform any other activities in addition to the audit activities carried out for the Company.

VI. Disclosure Policy

The Company pays special attention to the principle of transparency and to the provision of accurate and fast information establishing the right economic decisions to the shareholders and prospective investors. In this regard, the Company's disclosure policy complies with the relevant provisions of the Act on capital markets and of the BSE.

In providing information, the Company ensures that all shareholders and market participants are treated equally. The Company's disclosure related guidelines ensure that the information intended to be published is published as soon as possible.

Each year, the Board of Directors informs the annual ordinary General Meeting of the strategic business objectives of the given business year, and of the policies on the main activities and business ethics. In the in accordance with the disclosure rules, the Company publishes the proposals prepared for the General Meeting and the resolutions adopted by the General Meeting.

At least twenty-one days prior to the General Meeting, the Company publishes on its website the following

- a) aggregated data on existing shares at the time of the assembly and on the proportion of the voting rights (including separate totals for each class of shares),
- b) proposals relating to the issues included in the agenda, the Supervisory Board reports related to those, as well as draft resolutions, and
- c) forms to be used in voting by proxy if they are not directly sent to the shareholders.

The Company has detailed risk management rules covering all types of risks arising from the nature of its activities. Information on the Company's risk management practices is provided in the annual report.

VII. Exercising Shareholders' Rights

The Company's Board of Directors ensures that shareholders always receive the information necessary to exercise their rights in the right time by promoting accurate, appropriate and timely disclosure of information in compliance with its disclosure policy.

The Board of Directors is obliged to provide information relating to the Company to its shareholders in accordance with the applicable regulations and those laid down in the Statutes. The Board of Directors can make the provision of information subject to making a written declaration of confidentiality.

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The Board of Directors may refuse to provide the requested information to a shareholder if that would violate trade secrets of the Company or of its affiliates, if the shareholder requesting information abuses his or her right, or if - despite a call to make a declaration of confidentiality - the shareholder fails to comply with it.

In its share structure the Company applies the principle of „number of votes equal to the nominal value” the same rights are attached to the shares except that the shares owned by employees provide a dividend priority to the shareholders.

The Company's share register is managed by Központi Elszámolóház és Értéktár Zrt. (KELER) in which the company keeps track of the shareholder's (in the case of jointly owned shares – the common representative's) name, place of residence or registered office, for each series of shares the number of the shareholder's shares or temporary shares and the shareholder's stake. If data recorded in an issued share which is also recorded in the share register changes, the management shall amend the share register as well.

For a proof of share ownership, the Company accepts securities account statements issued by KELER and by organizations authorised to manage securities accounts, as well as shareholder identifications conducted in accordance with KELER's procedural rules.

Shareholders may exercise their right to participate and vote at the General Meeting in person or by proxy. A shareholder may not exercise his or her right to vote by mail before the General Meeting.

Participation and voting by shareholders in the General Meeting is subject to registration for the shareholder or the proxy by proof of ownership in the Company's share register.

The date of making the registration in the share register prior to the General Meeting, as well as other relevant deadlines (eg. closing the share register) are governed by the provisions of the Civil Code and other relevant regulations (eg. General Business Rules of KELER Zrt.) in force.

Having regard to the shareholder's legal relationship, during the term of the Company, the Company can fulfil payment for a shareholder from its own capital in cases defined in the Civil Code and from the profit or loss brought forward completed with the current year's profit after tax.

VIII. Annual General Meeting

The General Meeting is the Company's highest decision-making body.

The General Meeting shall be convened at least once a year (*annual general meeting*) at the Company's head office or other place specified by the Board of Directors. The annual ordinary General Meeting shall be held at the date required by the applicable legislation.

The annual ordinary General Meeting adopts the financial statements prepared in accordance with the International Financial Reporting Standards, and decides on the use of the profit after tax.

The General Meeting is convened by the Company's Board of Directors by way of publication of the invitation, which also ensures that the invitation for the general meeting is published on the company's website at least thirty days before the opening day of the General Meeting.

The General Meeting shall have a quorum if more than half of the shares embodied by the shareholders and entitled to vote are present. If the General Meeting has no quorum, the

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reconvened General Meeting shall constitute a quorum in the issues on the original agenda regardless of the proportion of the vote represented by those present. A minimum of ten days has to elapse between the General Meeting with no quorum and the reconvened meeting, but this period may not be longer than twenty-one days.

The Company's statute lists the following under the exclusive competence of the General Meeting:

- a) Deciding on establishing and amending the Statute (unless the law or the Company's statute provides otherwise),
- b) Making decisions on changing the operational form of the company,
- c) Making decisions on the Company's reorganization, merger, demerger or termination without legal successor,
- d) Appointing and/or recalling members of the board of directors, members of the supervisory board and the auditor, determining their remuneration and making decisions related to the major conditions of the agreement to be concluded with the auditor,
- e) Making decisions on the guidelines determining the long-term remuneration of, and incentive system for, the board members, supervisory board members and senior employees,
- f) Approval of financial statements prepared in accordance with the International Financial Reporting Standards and making decisions on the use of the profit after tax,
- g) Changing the rights attached to individual series of shares, and amending individual share types and classes,
- h) Making decisions on issuing convertible bonds with subscription rights or quick-change bonds,
- i) Making decisions on increasing the registered capital,
- j) Making decisions authorizing the board to increase the registered capital,
- k) Making decisions on decreasing the registered capital,
- l) Making decisions on the exclusion of the preferential right of subscription and on authorising the Board to limit and to exclude the preferential right of subscription,
- m) Making decisions on requesting to delist shares from the stock exchange,
- n) Making decisions on authorising the Board to acquire own shares,
- o) Making decisions on granting indemnification to the members of the Board of Directors,
- p) Making decisions on adopting the corporate governance report.

In addition, the exclusive competence of the General Meeting includes decision-making on all issues in which the exclusive competence of the General Meeting is granted by law or the Statutes.

Unless relevant laws or the Company's Statutes provide otherwise, The General Meeting makes its decisions by simple majority.

The Chairman of the Board of Directors may invite any person to the General Meeting, and may ensure to that person the right to provide opinion and comment if in the Chairman's opinion that person's presence is required and it facilitates the provision of information to the shareholders and the adoption of the decisions by the General Meeting.

In accordance with the relevant provisions the Civil Code, an attendance list shall be prepared at the General Meeting. The attendance sheet is authenticated by the signature of the Chairperson of the General Meeting and of the person taking the minutes.

IX Remuneration Statement

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According to the Company's Statutes, the General Meeting has the authorisation to determine the fees to be paid to the board members, the supervisory board members and to the members of the Audit Committee. Remunerations of the Board Members are included in the Company's annual report.

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Corporate Governance Report on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by filling out the tables below, the Company declares to what extent the recommendations and suggestions made in the specified sections of the Corporate Governance Recommendations („CGR”) published by Budapesti Értéktőzsde Zrt. were applied by the Company in its corporate governance practices.

By making an overview of the tables, market participants can easily obtain information about the extent to which each company's corporate governance practices are in compliance with the specific requirements included in the CGR, and it also makes the practices of certain companies easily comparable.

Level of Compliance with the Recommendations

The Company marks whether it applies the relevant recommendation or not, and if it does not, it provides brief information on the reasons why it does not apply to the specific recommendations.

| Section | Statement | Yes | No | Explanation |
|---------|---|-----|----|-------------|
| A 1.1.1 | Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks? | X | | |
| A 1.1.2 | Are the Company's Articles of Association available on the Company's website? | X | | |
| A 1.1.4 | If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents? | X | | |
| A 1.2.1 | Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders? | X | | |
| A 1.2.2 | Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded? | X | | |
| A 1.2.3 | Did the Company hold its General Meetings in a manner providing for maximum shareholder participation? | X | | |
| A 1.2.6 | The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting. (Answer Yes, if not) | X | | |
| A 1.2.7 | For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders? | X | | |
| A 1.3.3 | The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended. (Answer Yes, if not) | X | | |

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| A 1.3.4 | By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements? | X | | |
| A 1.3.5 | Did the Company publish on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers? | X | | |
| A 1.3.7 | Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting? | X | | The event did not occur in the previous business year, but its proper management is assured |
| A 1.3.8.1 | The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members. (Answer Yes, if not) | X | | |
| A 1.3.8.2 | For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)? | X | | The event did not occur in the previous business year, but its proper management is assured |
| A 1.3.9 | Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?. | X | | The event did not occur in the previous business year, but its proper management is assured |
| A 1.3.10 | Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting? | X | | |
| A 1.6.1.1 | Do the Company's publication guidelines cover the procedures for electronic, online disclosure? | X | | |
| A 1.6.1.2 | Does the Company have an internal publication policy? | X | | |
| A 1.6.2.1 | Does the Company have an internal publication policy in place which covers the processing the information listed in Section 1.6.2 ? | | X | The assessment of disclosure processes and the review of relevant internal policies are ongoing at the company. |
| A 1.6.2.2 | Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication? | X | | |
| A 1.6.2.3 | Did the Board of Directors/Governing Board assess the efficiency of the publication processes?. | | X | The assessment of disclosure processes and the review of relevant internal policies are ongoing at the company |
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| A 1.6.2.4 | Did the Company publish the findings of the efficiency assessment of the publication process? | | X | processes and the review of relevant internal policies are ongoing at the company. |
| A 1.6.3 | Did the Company publish its annual company event calendar? | X | | |
| A 1.6.4 | Did the Company publish its strategy, business ethics and policies regarding other stakeholders? | | X | The company's strategy was published, however, business ethics and policies regarding other stakeholders were not.. |
| A 1.6.5 | Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website? | X | | |
| A 1.6.6 | Did the Company publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year? | | X | The Company does not publish this information separately on its website |
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| A 1.6.8 | Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management? | X | | |
| A 1.6.9.1 | Did the Company publish its guidelines relating to the trading of its shares by insiders? | | X | The Company uses statutory regulations for insider trading and it has an insider trading policy. The relevant guidelines have not been published.. |
| A 1.6.9.2 | Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company in the annual report or in some other way? | | X | Not shown separately. The transactions of senior executives and managers are announced and published in accordance with applicable law.. |
| A 1.6.10 | Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company? | X | | |
| A 2.1.1 | Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board? | | X | The Board of Directors' powers are not part of the Company's Articles of Association |
| | Does the Board of Directors / Governing Board have a rules of procedure in place defining the | | | |

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| A 2.2.1 | organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board? | X | | |
| A 2.2.2 | Does the Company publish the procedure used for nominating Board of Directors / Governing Board members? | | X | The company did not disclose the nomination procedure. The remuneration of the members of the Board of Directors was approved by the General Meeting. |
| A 2.3.1 | Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan? | X | | |
| A 2.4.1.1 | Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval? | X | | |
| A 2.4.1.2 | Did the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means? | X | | |
| A 2.4.2.1 | Did the Board of Directors / Governing Board have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting? | | X | The company submitted the proposals for the meeting at a date agreed with the board members. |
| A 2.4.2.2 | Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board. | X | | |
| A 2.4.3 | Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings? | X | | |
| A 2.5.1 | Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting? | X | | |
| A 2.5.2 | Does the composition and size of the boards comply with the principles set out in Section 2.5.2. of the Recommendations? | X | | |
| A 2.5.3 | Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards? | X | | |
| A 2.6.1 | Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals? | X | | |

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| A 2.6.2 | Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities? | | X | The Company did not provide such information. |
| A 2.6.3 | Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website? | | X | The Company uses the statutory requirements for independence, hence it has not elaborated separate specific guidelines in this regard. |
| A 2.6.4 | Does the Supervisory Board of the Company have any members who has held any position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation? | X | | |
| A 2.7.1 | Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence? | X | | |
| A 2.7.2 | Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved? | X | | |
| A 2.7.3 | Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group? | X | | |
| A 2.7.4 | Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them? | X | | |
| A 2.8.1 | Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board? | | X | The Company's internal audit function is performed directly by the Audit Committee and the Supervisory Board. The Company has not adopted an internal audit plan. |
| A 2.8.2 | Does Internal Audit have unrestricted access to all information necessary for carrying out audits? | X | | |

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| A 2.8.3 | Did shareholders receive information about the operation of the system of internal controls? | | X | The Company does not produce such a report. |
| A 2.8.4 | Does the Company have a function ensuring compliance (compliance function)? | X | | |
| A 2.8.5.1 | Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company? | X | | |
| A 2.8.5.2 | Did the relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures? | X | | |
| A 2.8.6 | With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company? | X | | |
| A 2.8.7 | Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives? | X | | |
| A 2.8.8 | Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year? | X | | |
| A 2.9.2 | Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports? | X | | |

Level of Compliance with the Suggestions

The company must indicate whether it applies the relevant recommendation of the FTA, or not (Yes/No).

| Section | Statement | Yes | No | Explanation |
|-----------|---|-----|----|--|
| J 1.1.3 | Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person? | X | | |
| J 1.2.4 | Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account? | X | | The event did not occur in the previous business year, but its proper management is assured. |
| J 1.2.5 | Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results? | X | | |
| J 1.3.1.1 | Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting? | X | | |

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| J 1.3.1.2 | In the event the Board of Directors/Governing Board and the Supervisory Board was absent, was it disclosed by the Chairman of the General Meeting before discussion of the agenda began? | X | | |
| J 1.3.2.1 | The Articles of Association of the Company did not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.(Answer Yes, if not) | X | | |
| J 1.3.2.2 | The Articles of Association of the Company did not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there. (Answer Yes, if not) | X | | |
| J 1.3.6 | Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?. | X | | |
| J 1.4.1 | Did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents? | X | | |
| J 1.6.11 | Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11.? | X | | |
| J 1.6.12 | Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly? | X | | |
| J 2.9.1 | Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities? | | X | |