



WABERER'S INTERNATIONAL NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG CORPORATE GOVERNANCE REPORT FOR THE PERIOD OF 1 JANUARY 2022 TO 31 DECEMBER 2022

The Board of Directors of WABERER'S INTERNATIONAL Nyilvánosan Működő Részvénytársaság (hereinafter the Company or Waberer's) approves and submits for approval the Corporate Governance Report to the annual General Meeting with the following content based on the Corporate Governance Recommendations (CGR) of the presently effective Budapest Stock Exchange (BSE) and the respective regulations of Act V of 2013 on the Civil Code (Civil Code):

1. Brief introduction of the operations of the Board of Directors, and of the responsibilities and competences between the Board of Directors and the management

The management body of the Company is the Board of Directors, who manages the issues of the Company and the Group, represents the Company vis-à-vis third parties and before courts and other authorities. The Board of Directors is entitled to acquire rights and undertake obligations on behalf of the Company and to determine the business activities of the Company. Members of the Board of Directors shall conduct their activity with due care and diligence as generally expected from persons in such positions, and give priority to the interests of the Company.

The Board of Directors shall consist of at least 3 (three) and maximum 7 (seven) members. The members of Board of Directors shall be elected by the General Meeting for a three years term. The assignment of the members of the Board of Directors, unless otherwise provided by the General Meeting, lasts for a term of three years until 31 May of the third year subsequent to the date of the said General Meeting with the exception, that if the General Meeting in the third year is held prior to 31 May than their assignment lasts until the date thereof. The members of the Board of Directors shall elect a chairman from among themselves. The division of responsibilities and competences among the members of the Board of Directors is specified in detail in the By-laws of the Board of Directors: (www.waberers.com/en/investors/policies). The Board of Directors establishes its own rules of procedure itself. The presently effective By-laws of the Board of Directors (1 November 2022) can be found on the website of the Company: www.waberers.com/en/investors/policies

The Board of Directors may make decisions on all issues and matters concerning the Company and the Group which do not fall within the exclusive competence of the General Meeting. In matters which fall within the exclusive competence of the General Meeting by virtue of law the Board of Directors shall make resolution proposals for the General Meeting.

The responsibilities of the Board of Directors include primarily, but not exclusively, the following:

- supervision of the individual and the consolidated business and financial plans, significant capital investments, acquisitions and divestments of the Company or any Group member;
- submission to the General Meeting for approval the proposal of the Company's annual financial statement and the proposal of the utilization of after tax profits;

- submission to the Annual General Meeting for decision the Company's Corporate Governance Report, continuous observation of the efficiency and effectiveness of the practice of corporate governance;
- report on the management, the financial situation, the business policy and financial and investment plans of the Company, at least once a year to the General Meeting and quarterly to the Supervisory Board;
- arrangements for keeping the books of the Company in accordance with the rules;
- participating in the determination of strategic guidelines and the formation of the corresponding strategy and participation in all kind of strategic cooperation agreements, associations, joint ventures on behalf of the Company or any member of the Group, approval of significant agreements of value over the limit and launching legal cases;
- exercise the shareholder rights with regard to the Material Subsidiaries;
- after discussion with the Supervisory Board, setting corporate objectives and continuous monitoring of company performance, informing the Supervisory Board about the achievement of these objectives;
- ensuring the integrity of financial and accounting reports;
- electing the CEO, the chief officers currently the Chief Financial and Strategic Officer and the Chief Corporate Officer of the Company (together hereinafter: persons holding Key Positions), setting targets for them, exercising employer's right over employees holding key positions, developing principles applicable to the remuneration of the management, supervision of the activity of the management and if necessary, taking appropriate steps in line with the Remuneration Policy adopted by the General Meeting;
- management of conflicts of interest issues, approval of related party transactions and adoption of guidelines strengthening the principle of application of standard terms and conditions between independent parties, monitoring the Company's practice in this regard, accepting the Code of Conduct;
- establishment of risk management guidelines and policies, to ensure the continuous assessment of all risk factors, the obtainability of internal control mechanisms and the legal compliance;
- determination of a mechanism for the selection of the members of the Board of Directors;
- determination of the principles and basic procedure of the succession of the Company's key management;
- defining guidelines and policies - and monitoring the compliance therewith - for transparency of corporate operations and for disclosure of information on the Company;
- keeping the book of shares of the Company (or authorising a third party service provider to keep the register of shareholders);
- ensuring the communication on an appropriate level and frequency with the shareholders, approving the Insider Trading Policy and decide in matters under the Insider Trading Policy.

The Board of Directors shall have a quorum, if more half of the Members of the Board are present at the meeting. The Board of Directors shall adopt its resolutions by open vote and a simple majority of the present Board members, who are participating in the vote, except when the By-laws impose otherwise. Further rules of the conduct of meetings, powers and adoption of resolutions of the Board of Directors and the procedure of resolving Deadlock Situations are set out in the By-laws of the Board of Directors.

2. Introduction of the members of the Board of Directors and of the structure of the Board

According to the presently effective Articles of Association of the Company and the By-laws of the Board of Directors the conflict of interest rules of the Civil Code has been extended, thus besides road transport, as the main activity of the Company, the freight forwarding, warehouse logistics and non-life insurance activities are treated as conflict of interest issues as well. In case of main activity conflict of interest the General Meeting, in other conflict of interest situations the Board of Directors is authorized to exempt executive officers.

Considering that there is a two-tier governance system at the Company, the independence of the members of the Board of Directors is not required to be examined.

Members of the Board of Directors in 2022, their independency status and the date of their appointment (the present members' professional CV is available on the website of the Company):

Name	Status	Date of appointment
Barna Erdélyi	non-independent, operative member	01.09.2017. – 31.05.2024, and then or if the Annual General Meeting will be held prior to that, then the date thereof.
György Péter Waberer	non-independent (owner and executive director of the shareholder High Yield Zrt.), non-operative (external) member	20. 04. 2021. – 18. 04. 2023. he submitted his resignation before the publication of the Report
Márk Czéh-Tóth dr.	independent, non-operative (external) member / chairman	20. 04. 2021. – 18. 04. 2023. he submitted his resignation before the publication of the Report

On 31 December 2022 the members of the Board of Directors held the number of shares indicated below:

György Péter Waberer, through HIGH YIELD Vagyonkezelő Zrt., in which he is the sole shareholder	4 048 476 pcs shares
György Péter Waberer	885 pcs shares

In 2022 the Board of Directors held 8(eight) ordinary meetings without extraordinary meetings. The participation rate detailed below:

Name	Number of the meetings	Participation rate
Total	8	
Barna Erdélyi	8	100%
György Péter Waberer	6	75%

Márk Czéh-Tóth dr.	7	87%
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The main topics of the meetings of the Board of Directors held in 2022 included the acceptance and quarterly review of the standalone and the consolidated business plan, review of the monthly and other periodical performance and KPI indicators of the Group, building the short- and long term strategies of the Group, action plans pursuant to the business environment changes, decision on the asset management, discussion and approval of trailer acquisition, supervision of the key legal cases, amendment of the financing agreement, supervision on high priority law-cases, closing a previous financing contract package and issuing a corporate bond in its place, redefining investment policy, starting warehouse development investment amendment of the remuneration and incentive system for the employees holding key positions, discussion of the risk evaluation, forming an opinion on Public Purchase Offer.

The Board of Directors of the Company may adopt written resolutions between the meetings of the Board of Directors. In 2022, 31 (thirty-one) resolutions in writing were adopted by the Board in the above listed issues.

3. Chief Executive Officer

The work of the Company is organised, led, directed and supervised by the CEO subject to the relevant legislation and the Articles of Association as well as in accordance with the decisions of the General Meeting and the Board of Directors. His scope of authority includes making decisions on all cases that are not referred to the exclusive competence of the General Meeting, the Board of Directors or the Supervisory Board. The CEO establishes the work organisation of the Company, exercises the employer's rights over the employees of the Company, but may delegate this power to the employees of the Company provided by CEO directives.

Conclusion, amendment and termination of the employment of the CEO of the Company falls within the scope of the Board of Directors. The Board of Directors appointed Mr. Zsolt Barna as CEO as of 1 September 2021, to this date he holds this position.

Introduction of the management

The following persons belong to the Key Management of the Company and the Group in the business year of 2022:

- Zsolt Barna, held the position of CEO from 1 September 2021 and Managing Director of WSZL Kft. (company name before 12. 01. 2023: Waberer's-Szemerey Kft.) and head of the regional contract logistics business line.
- Barna Erdélyi, held the position of operational member of the Board of Directors of the Company, from 1 September 2021 Chief Corporate Officer, in the Group, he also holds the positions of Chairman of the Board of Directors of Wáberer Hungária Zrt. and LINK sp.z.o.o.
- Szabolcs Gábor Tóth, held the position of Chief Financial and Strategic Officer from 23 June 2020. Within the Group, he is a co-managing Director of WSZL Kft. and a member of the Board of Directors of the affiliates Wáberer Hungária Zrt and LINK sp.z.o.o.;

The curricula vitae of the members of the management employed by the Company are available on the Company website (www.waberers.com/en/about-us/corporate-governance).

Relationship between the Board of Directors and the Management:

The Management reports to the members of the Board of Directors on a monthly basis within the framework of the Meetings of the Board of Directors on the effectiveness of the activities of the Company and the Group, and prepares and forwards other, prompt financial reports to the Board of Directors on a weekly basis. The monthly management report provides information about the monthly and periodic cumulative development of the business operations of the Company and the Group in a uniform, standard structure, presenting primarily the deviation of the effectiveness and key performance indicators from the values for the baseline period and the budget. Main business and other data presented in the monthly management report:

- development of the consolidated profit/loss of the Company and the Group;
- development of the EBITDA and EBIT of the Company and the Group by main business functions and detailed variance analysis of deviations;
- development of the consolidated sales of the Company and the Group;
- the development of the results, key performance and quality indicators of the business lines (mainly the international transportation business and regional contract logistics segment, and the insurance company) and the business units in the newly introduced trade lane business model;
- development of the asset and financial situation and indebtedness of the Company and the Group;
- development of trailer procurement and sale process, and the reasons behind the differences;
- working capital management;
- monitoring work force, headcount shortage in hard-to-fill vacant positions;
- other strategic decisions, action plans.

In the event of significant changes affecting the business operations of the Company and the Group and in the case of projects deviating from the budget Management prepares ad hoc analyses for the Board of Directors.

4. Supervisory Board

The Supervisory Board consisted of 6 (six) members in 2022 until the mid-term resignation of Mr. Ferenc Mike. Then continued its work with five participants. The members of the Supervisory Board are elected by the General Meeting for a 3 (three) years term. The assignment of the members of the Supervisory Board, unless otherwise provided by the General Meeting, lasts for a term of three years until May 31 of the third year subsequent to the date of the said General Meeting with the exception, that if the Annual General Meeting in the third year is held prior to May 31 than their assignment lasts until the date thereof. One third of the Supervisory Board shall be delegates of the employees. Employee delegates are nominated by the Works Council from among the employees, taking into account the opinion of the trade unions operating at the Company. Employees of the Company may not become members of the Supervisory Board, unless they are employee delegates. Once elected, the Supervisory Board elects a Chairman from among its members for the period of the Chairman's mandate as a member.

The majority of the members of the Supervisory Board must be independent. A member of the Supervisory Board is considered independent if he or she does not have any legal relationship with the Company other than his or her Supervisory Board membership and the relationship falling within the usual activities of the Company and operations meeting the needs of the member of the Supervisory Board. The majority of the members of the Supervisory Board have no relationship with the Company, its management and its significant shareholders. The Supervisory Board requests that its members confirm their independence annually, prior to the Corporate Governance Report.

The members of the Supervisory Board are obliged to participate in the work of the Supervisory Board in person. The members of the Supervisory Board are independent of the management of the Company and may not be instructed during their activities. The Supervisory Board establishes its rules of procedure itself, which is approved by the General Meeting.

A member of the Supervisory Board may not hold executive position and acquire shareholdings in business associations – other than business shares in public companies limited by shares – which has identical business activity as its main activity as the Company's main activity, unless they have been granted authorization by the General Meeting of the Company. A member and a relative of the member of the Supervisory Board may not enter into any agreement that falls within the scope of the Company's core business under his own name or for his own benefit, save as for usual deeds occurring in the ordinary course of everyday life. The member and the relative of the member of the Board of Directors of the Company may not be elected as member of the Supervisory Board. In case of accepting an executive officer position, the Member shall inform the Supervisory Board within 15 (fifteen) days from the acceptance.

The Supervisory Board supervises the management of the Company in order to protect the interests of the Company. In order to perform this activity, it may have access to the documents, accounting records and books of the Company, may request information from the Board of Directors and the employees of the Company, may inspect the payment account, cash in hand, portfolio of securities, goods in stock and contracts and agreements of the Company, or may have them inspected by an expert. The Supervisory Board is obliged to examine the proposals to the General Meeting and to present its position on such proposals at the General Meeting. The submission to the General Meeting in subject of the Remuneration Policy shall be reviewed by the Supervisory Board in advance. The General Meeting may adopt resolutions on the Financial Statements and on the appropriation of profits after tax only in possession of the written report of the Supervisory Board.

If, according to the Supervisory Board, the activities of the management violate the relevant legislation or the Articles of Association, or are contrary to the resolutions of the General Meeting or otherwise infringe the interests of the Company, the Supervisory Board is entitled to convene the General Meeting in order to discuss this issue and to adopt the required resolutions.

The Supervisory Board adopts its resolutions by a simple majority of votes. The detailed rules for the operation of the Supervisory Board are set out in the rules of procedure of the Supervisory Board (www.waberers.com/en/investors/policies).

Present members of the Supervisory Board, their independency status, the dates of their appointment and their professional curricula vitae are available on the Company website (www.waberers.com/en/investors/in-corporate-governance):

Name	Independency status	Dates of their appointment and length of their mandate
David William Moffat Thompson	independent/chairman	20.04.2021. – 31.05.2024. or if the Annual General Meeting will be held prior to that, then the date thereof.
Sándor Székely, employee delegate	non- independent	11.05.2017. – 31.05.2024. or if the Annual General Meeting will be

		held prior to that, then the date thereof.
Mária Szalainé Kazuska, employee delegate	non- independent	31.05.2017. – 08.04.2022.
Ferenc Mike	independent	20.02.2021. – 24.05.2022.
Norbert Szivek dr.	independent	20.02.2021. – 18.04.2023. he submitted his resignation before the date of the Report.
Attila Végh dr.	independent	20.02.2021. – 31.05.2024. or if the Annual General Meeting will be held prior to that, then the date thereof.

As of 31 December 2022, the members of the Supervisory Board held no shares in the Company.

In the 2022 financial year, the Supervisory Board held 4 (four) meetings with the below detailed participation rate and adopted all resolutions with 100% support. The Supervisory Board has adopted 1 (one) resolutions without holding a meeting in 2022 in the matter of the risk map and the internal audit plan for 2023.

The main topics of the Supervisory Board meetings held in 2022 included the approval of the standalone and consolidated financial statements of 2021 financial year, approval of the internal audit plan and review of the internal audit reports, review of the quarterly report of the Board of Directors of the management of the Company, discussion of certain risk factors, comment the resolutions of the annual and extraordinary General Meeting, review the quarterly financial results, monitor the trade lane model.

Name	Number of meetings	Attendance rate
Total	4	
David William Moffat Thompson	4	100%
Sándor Székely	4	100%
Mária Szalainé Kazuska	0	0% - until the termination of her membership (08.04.2022)
Ferenc Mike	2	100% - from the start of his membership (24.05.2022)
Norbert Szivek dr.	3	75%
Attila Végh dr.	4	100% - from the start of his membership (20.04.2021)

Attila Verestóy	3	100% - from the start of his membership (20.04.2021)
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5. Audit Committee

The General Meeting elects an Audit Committee with 3 (three) members from the members of the Supervisory Board qualifying as independent for the same period as that of the Supervisory Board membership of the individual members.

The members of the Audit Committee, their status and their appointment date (the professional curriculum vitae of the current members are available on the Company website):

Name	Independency status	Date of their appointment and length of their mandate
David William Moffat Thompson	independent chairman /	for the length of his mandate in the Supervisory Board
Norbert Szivek dr.	independent	until his resignation from his mandate in the Supervisory Board (18.04.2023.)
Ferenc Mike	independent	until his resignation from his mandate in the Supervisory Board (24.05.2022.)
Attila Végh dr.	independent	for the length of their mandate in the Supervisory Board

The Audit Committee assists the Supervisory Board in the control of the financial reporting system, in the election of the Auditor and in co-operation with the auditor. The Audit Committee is entitled to use external adviser(s), as required, for performing its tasks. The Audit Committee supervises the efficiency of risk management, the operation of the system of internal controls.

In the 2022 financial year, the Audit Committee held 4 (four) meetings – occasionally as a joint meeting with the Supervisory Board - with the below detailed participation rate and adopted all resolutions with 100% support.

The main topics of the committee meetings held in 2022 included the discussion of the quarterly and annual financial report for year 2021, cooperation with the Auditor, review of independency and the other advisory activities of the Auditor besides its audit activity, monitoring risk factors, discussion of certain outstanding risk factors, monitoring the compliance program, discussion and review of certain outstanding risk factors.

Name	Number of the meetings	Attendance rate
Total	4	
David William Moffat Thompson	4	100%
Ferenc Mike	2	100% - until his resignation (24.05.2022)
Norbert Szivek dr.	3	75%

Attila Végh dr.	2	100% - from the start of his membership (08.04.2022)
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In the operation of the Audit Committee there has not been any case when the Board of Directors would have decided contrary to the proposal of the Audit Committee in an issue in the financial year of 2022.

6. Nomination and Remuneration Committee

The Company does not have presently Nomination and Remuneration Committee.

7. Criteria considered when evaluating the work of the Board of Directors, the Supervisory Board, the management and the individual members thereof

Members of the Board of Directors and the Supervisory Board evaluate their work every year by completing a self-assessment form. The Board of Directors shall evaluate the performance of the individual members of the committees primary on the basis of the answers given in the self-assessment forms, the evaluation of competences of each member and assessment of how well the respective corporate body have fulfilled their task.

The person holding Key Positions set out in the By-Laws of the Board of Directors are evaluated and the principles of their remuneration are defined by the Board of Directors of the Company. Criteria considered during the evaluation include progress in the implementation of the long-term strategy, strategic thinking, timely recognition of business opportunities and market difficulties in time and responding to them, further extension of the reputation of the Company towards business partners, suppliers and investors and the skill of motivating managers and employees. The performance based remuneration of management is on annual measurement period corresponding to the business year of the Company and based on the business plan approved by the Board of Directors. The evaluation criteria of performance remuneration aimed to improve the performance of the Company and the whole Group and successfully mitigate certain risks. Reaching the indicators shall be verified by KPIs approved by the Board of Directors in the business plan and by controlling measures.

8. The Statutory Auditor

The Statutory Auditor shall be elected by the General Meeting for a definite period, but at least for a period ending on the date of the closing of the General Meeting concluding the business year of the election and approving the consolidated balance sheet, but in any case by no later than June 30. The Statutory Auditor shall be responsible for carrying out the audit according to the relevant regulations and to provide an independent audit report of the annual financial statement of the Company whether it is in conformity with legal requirements, and whether it provides a true and fair view of the Company's assets, financial position and profit or loss. Shareholders, members of the Board of Directors and members of the Supervisory Board of the Company and the family members of these persons may not serve as Statutory Auditor. Further task of the auditor is monitoring the annual remuneration report of the Company according to the effective legislation. An employee of the Company may not serve as Statutory Auditor during the period of his employment and for a period of three years thereafter. The Statutory Auditor may not provide any service to the Company and may not collaborate with the Board of Directors in a way that may imperil his ability to carry out his auditing duties objectively and independently.

The Statutory Auditor of the Company elected until 8. April 2022 is PricewaterhouseCoopers Könyvvizsgáló Kft. (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.; company registration

number: Cg. 01-09-063022; registration number: MKVK 001464, with the appointment of Balázs Árpád Mészáros as personally responsible auditor.

9. Presentation of the internal control system, report on the efficiency and effectiveness of the risk management procedures

The Company's orderly functioning is ensured by its internal control system. Within the internal control mechanism each manager shall evaluate risks under their governance area and mitigate it with establishing internal procedure and overseeing its compliance. The Internal Audit Department under its annual audit program and with ad-hoc audits can also review the effectiveness of the internal control mechanism and report towards the Supervisory Board on quarterly basis on its findings and remedy actions.

The Company's financial reporting is monitored by the segment-level and central controlling functions and are reviewed by the executive level weekly and by the Board of Directors monthly. An in-depth and extensive review of financial reports are due each quarter, when all the aforementioned functions and bodies monitor to-be-disclosed figures and messages and quarterly reports are also reviewed by the Audit Committee before disclosure.

While conducting internal control processes, the Company's internal control mechanisms are governed by the following key principles:

- Allocation of responsibilities. All duties are allocated to at least one function and leader position.
- Segregation of responsibilities. Functions and employees in the Company have clearly identified and recorded set of responsibilities.
- Independent internal audit function. The Internal Audit Department reports to the Supervisory- and Audit Board.
- Technological controls. Where appropriate, technological checks are implemented to warrant against human error or misdemeanour.
- Record keeping. Record keeping procedures are implemented at all levels to ensure that the Company can monitor its past experiences.

The Company is committed to identify, measure, and manage risks in its business in order to provide a stable and profitable performance and create value to shareholders. Possible adverse outcomes are therefore an integral part of the day-to-day, as well as the strategic long-term decision-making process.

In its risk management process, the Company's main objective is always to first understand the risks and their possible effects. The Company acknowledges that in most cases the elimination of risks is not possible, but it rather seeks to mitigate and effectively manage the risks it faces. The Company thus assumes risks only after effects are properly analysed and the appropriate processes are set up to manage those risks and, where possible, mitigates the likelihood and effects of the occurrence of these risks through internal audits and control points built into processes.

Within this framework, Company's has specified its risk management guidelines:

- Universal approach. Relevant risks are identified and measured as precisely as possible in each key activity, project, or other aspect that can materially influence the company's operations. The risks assessed during these risk assessment interviews with the management of the company group, built into the process of annual audit planning are displayed on a so called "risk map" according to the probability and impact of their occurrence.

- Holistic approach. Day-to-day risks are identified, measured and managed at the operative level. All risk factor sand all risk management practices, however, are considered and assessed at group level.
- Regular monitoring. The evolution of risks and their management are monitored by the operative level, with strategic risks being monitored by the Audit Committee and the Board of Directors.
- Prioritising. Audits under the annual audit plan, as well as resources are allocated to prioritise risk management of risks that are most likely to materialise and have the highest potential impact.
- Efficiency in risk management. When selecting the method of risk management, the most efficient tool is selected.

10. General overview of the mode of exercising shareholder rights

Shareholders are entitled to exercise shareholders rights vis-à-vis the Company in possession of the shares or certificate of ownership following their entry into the register of shareholders. No certificate of ownership is required for the exercising of shareholder rights, if entitlement is verified by way of the shareholder identification procedure.

The register of shareholders is kept by KELER Központi Értéktár Zrt. as commissioned by the Board of Directors. Any shareholder who has been formally identified must be registered in the register of shareholders upon request made to the keeper of the register. In accordance with the provisions under Section 3:246(3) of the Civil Code, the keeper of the register of the shareholders may refuse to comply with the request of a formally identified person, if such person has acquired his shares in violation of the regulations on the transfer of shares set out by law or the Articles of Association. Registered shareholders must be deleted from the register of shareholders upon their request.

Shareholders registered in the register of shareholders are entitled to participate in, request information and make comments and proposals, as well as to vote at the General Meeting, if they hold shares with voting rights. Each share in the Company entitles its holder to one vote. Shareholders may exercise their voting rights, only if they have performed their capital contribution.

Shareholders shall be entitled to a dividend in proportion to the nominal value of the shares they hold from the Company's distributable profit or profit ordered to be distributed by the General Meeting. Dividends shall be paid to the shareholders that are listed in the register of shareholders at the date of the shareholder identification relating to dividend payment announced by the Company. Dividends may be paid in the form of non-cash consideration as well. Shareholders shall be entitled to receive dividends based on the capital contributions they have already paid up.

The Company shall pay dividend to the shareholders by way of bank transfer as of the date specified by the relevant resolution of the General Meeting. The dividend payment period shall commence on the date determined in the resolution of the General Meeting, the company shall pay the dividend to its shareholders who have provided all the necessary information and documents within ten days of the successful shareholder identification. Shareholders may claim dividends from the date of the dividend payment within the statutory limitation period (five years).

Shareholders who control at least 1% of the voting rights are entitled to exercise minority rights in the Company.

The detailed rules for the exercise of the shareholders' rights are set out in the Articles of Association: www.waberers.com/en/investors/policies.

11. General overview of the rules on the method of convening and conducting the General Meeting

According to the general provisions the supreme body of the Company is the General Meeting and Shareholders are entitled to exercise their rights at the General Meeting in person or through a proxy. Only those shareholders or shareholder proxies (nominees) may attend the General Meeting who were entered into the register of shareholders no later than on the second business day preceding the date of the General Meeting.

The invitation to the General Meeting shall be published at the places of publication specified in the Articles of Association at least thirty days prior to the first day date of the General Meeting. The General Meeting shall have a quorum if it was convened in accordance with the relevant rules and regulations, and if the shareholders representing more than 40% of the shares with voting rights are present. If the General Meeting fails to have a quorum within 1 (one) hour from the time designated for commencement thereof, the Chairman of the General Meeting shall announce the date of the reconvened General Meeting as set out in the invitation to the General Meeting. The reconvened General Meeting may be called for a date following the date of the original General Meeting by not less than at least 5 (five) days and not more than 15 (fifteen) days. The reconvened General Meeting may be held at the same venue or at any other venue specified in the invitation to the General Meeting. The reconvened General Meeting shall have a quorum for the issues of the original agenda irrespective of the ratio of voting rights represented by those present.

The General Meeting adopts its resolutions by a simple majority of the votes considered upon the establishment of a quorum, except for the matters indicated by the law and listed in the Articles of Association, in respect of which the General Meeting adopts its resolutions by at least three-quarters majority of the votes. Each share having a nominal value of EUR 0.35 represents one vote. Each shareholder may vote only in one way.

The detailed rules to convene and conduct the General Meeting are included in the Articles of Association: www.waberers.com/en/policies.

12. An overview of the Company's publication policy and its insider trading policy

Waberer's publication practices should comply with various EU-level, national, and BSE regulations¹ and Recommendations included in the official Circulars issued by the Hungarian National Bank. These regulations were all taken into account when constructing and adopting the Company's Disclosure Policy and Insider Trading Policy and it shall be updated on that basis.

In line with these policies, the publication process is covered by the following general guidelines:

¹ These include: Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, Act CXX of 2001 on the Capital Market, Decree no. 24/2008. (VIII. 15) of the Minister of Finance on extraordinary information Regulations on Listing and Continued Trading of the Budapest Stock Exchange, Regulation on Official Publications of the Budapest Stock Exchange

- As a general rule, all relevant and material information significant enough to be capable of influencing the share price of the Company should be disclosed as soon as possible.
- To be able to continuously inform the public of Waberer's significant events, the operative member of the Board of Directors or the Chief Executive Officer, the Chief Financial Officer, the Investor Relations Officer and the Chief Legal Officer of the Company shall verify the significance of events.
- Ultimately, the Investor Relations Officer is responsible for the preparation and timely execution of the Company's disclosure obligations.
- The Company's publications are online publications, internal disclosure policy covers the detailed procedures for the method of disclosures. All public disclosures can be accessed at the Company's official website (www.waberers.com), at the website kozsetelek.mnb.hu operated by the capital market supervising authority, and at the website bet.hu of the Budapest Stock Exchange in English and Hungarian.
- The Company disclose to the public essential details on a regular basis of its business activity, financial position and the general course of its business in the quarterly financial reports, and also in the framework of conference calls for the analysts following the financial reports, the presentation and the whole session is available on the website of the Company in real time.
- A description of the Company's strategic goals are included in the annual report.
- In the internal regulation the Company established a method to assess the significance of events in order to inform the shareholders continuously about the events or transactions evaluated to be important. The management assess the efficiency of the publication processes and publish its findings in the Corporate Governance Report once a year.
- Principles of the selection and appointment of the members of the governing and management bodies are included in the Rules of Procedures of the Board of Directors. The compensation and remuneration principles applicable to the members of the management and the governing bodies as well as the aspects considered to assess their activities are presented in the Remuneration Policy. Information regarding the number of shares owned by the members of the Board of Directors, the Supervisory Board and management members also the extent of their participation in share-based remuneration schemes summarized and published in the Remuneration Report.
- The Company publishes in its annual report and on the Company website career information about the members of the Board of Directors and the Supervisory Board (e.g. independence, special expertise, other professional functions). The composition, the tasks, the scope of authorities and the operational rules of the corporate bodies are accessible for the shareholders on the website of the Company.
- In 2021, the Company undertook toward Budapest Stock Exchange to gradually introduce ESG Reporting, in accordance therewith in 2022 and 2023 the Company prepares a simplified, and from 2024 a standardized, mid-level ESG Report. In accordance with this engagement, it will publish its simplified ESG Report for the financial year 2022 in 2023.
- The Board of Directors developed a separate, internal policy and procedure for the flow of information and the management of insider information within the Company, and monitor compliance with them. The policy sets out the limitations for persons discharging managerial responsibilities and persons closely associated with them regarding the trading of the Company's shares. The Company has published on its official website the guidelines on the prohibition of insider trading with regard to the Company's shares.
- Prior to the relevant business year the Company publishes the so called 'company event calendar', informing market players about the expected release dates of the

Company's important regular disclosures (e.g. financial reports) and of foreseeable major events (e.g. the proposed date of General Meeting).

- The Company discloses its Corporate Governance Report annually. The report contains the corporate governance practices, the description of the corporate governance system and relevant information on employees and other stakeholders in the given business year. The ownership structure of the Company is presented to the investors on the official website.
- Risk factors that the Group faces when conducting its business and to be considered are laid down in the Risk management guidelines. The Board of Directors publish the Risk management guidelines incorporated into the Corporate Governance Report, reassuring shareholders that all risks of essential internal and external operations, financial and legal compliance and other risks are continuously assessed, therefore, these risks are adequately managed by the corporate bodies. The information should cover the system of internal control activities, the risk management principles and fundamental rules applied and give a comprehensive overview of the key risks.
- The public is informed about the Group's business ethics as well as the corporate social responsibility activities and some other policies regarding other stakeholders.
- The Company takes into consideration the confidentiality of secrets protected under business and other confidentiality laws in its disclosures during publishing information on the relationship that Board of Directors, Supervisory Board and management members may have with third parties and could affect the operation of the Company.
- The Company prepares and publishes its disclosures in Hungarian and in English. In the event of discrepancies between information provided in the two languages the Hungarian version shall prevail.

The Board of Directors reviewed the efficiency of the publication process in the Company for the respective period, and declared that the publication processes are adequate to ensure that the Company's disclosures are in line with the applicable regulations and ensure the effectiveness of the procedures of the disclosure.

13. Remuneration Report

In accordance with the provisions of Chapter IV of Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain acts for the purposes of legal harmonisation, the Company has prepared its Remuneration Policy complying to the amendments and has prepared a Remuneration Report based on the Remuneration Policy for the first time this year. In addition to the members of the Board of Directors / Supervisory Board, the scope of the Remuneration Report also covers persons holding key positions. The Remuneration Report sets out the principles for the evaluation of the work of the members of the governing and supervisory bodies and of the management, as well as the long-term remuneration/incentive system and the remuneration items in summary for the year 2022. The Remuneration Report presents the annual change in remuneration, the development of the Company's performance and the average remuneration of the Company's employees on a rolling basis from 2020 forward. The Remuneration Report was reviewed by the statutory auditor and is submitted to the General Meeting of Shareholders for an advisory vote.

1. CORPORATE GOVERNANCE STATEMENT OF THE COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Level of compliance with the Recommendations

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

Questions under Section 1.5. have been repealed²

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

² During the review of the recommendations in 2020, the Corporate Governance Committee repealed the recommendations in Chapter 1.5 and Section 1.6.7 on remuneration, and amended Sections 1.6.2, 1.6.9 and 2.2.2 and Annex 1. accordingly as the remuneration guidelines are laid down in Act LXVII of 2019 on the promotion of long-term shareholder participation and the amendment of certain laws for the purpose of legal harmonization from July 2019.

processes?

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

Questions under Section 1.6.7.1-2. have been repealed ³

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

Yes

No

Explanation:

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

³ Please refer to footnote of Section 1.5.

Yes

No

Explanation:

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company⁴, as well as the extent of their interest under the equity-based incentive system in the annual report or in some other way?

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

2.2.2. Does the Company publish the procedure used for nominating⁵ Board of Directors / Governing Board members?

Yes

No

Explanation:

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

Yes

No

Explanation:

⁴ Please refer to footnote of Section 1.5.

⁵ Please refer to footnote of Section 1.5.

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation: Occasionally the board members received the pre-reading material less than five working days prior to the meeting.

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

2.7.3. Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management

position of a company not belonging to the Company Group?

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation:

2.8.6. With the involvement of the relevant areas, did the Board of Directors / Governing Board

develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?

Yes

No

Explanation:

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

Yes

No

Explanation:

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

Yes

No

Explanation: The managers of the organisational units are responsible for establishing and monitoring the internal control system functions of their own unit, which is overseen by the Internal Audit Department.

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

Yes

No

Explanation:

Level of compliance with the Proposals

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

(Explanation:)

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

Yes

No

Explanation: The Procurement Policy of the Company does not impose a certain internal procedure regarding the use of external advisors, however the mentioned services belong to the normal procurement, which are conducted as part of a transparent process, monitored annually by the Internal Audit Department.

The Corporate Governance Report for the business year 2022 of WABERER'S INTERNATIONAL Nyrt. was approved by AGM Resolution 11/2023. (IV. 18.) of the general meeting.