

BILK LOGISZTIKAI ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG

CORPORATE GOVERNANCE REPORT

Bilk Logisztikai Zártkörűen Működő Részvénytársaság (registered seat: 1239 Budapest, Európa utca 6.; company registration No.: 01-10-049617; hereinafter: „Company”) has to become a public company limited by shares to be able to operate as a regulated real estate investment company. The shareholders of the Company decided upon the listing of the shares of the Company on the Budapest Stock Exchange (BSE), in the Premium category of its Share section with their resolution No. 1/2018.04.17. passed without holding general meeting.

According to Point 6.3.6 of the General Terms of Service of BSE, the Company is obliged to prepare a Corporate Governance Report based on the “Corporate Governance Recommendation” issued by BSE, and to disclose it prior to its shares becoming part of the BSE products list.

The Chief Executive Officer prepared the first Corporate Governance Report (“Report”) of the Company for the above purpose, which concerns the previous private limited operation of the Company. By accepting this Report, the general meeting of the Company simultaneously accepts the new articles of association of the Company which contains the rules of the company management related to the public limited operation.

In the course of its operation, the Company fully acts in line with the applicable legal provisions, in particular with the provisions of Act V of 2013 on the Hungarian Civil Code (“Civil Code”), Act CII of 2011 on Regulated Real Estate Investment Trusts (“REIT Act”) and Act CXX of 2001 on the Capital Market (“Capital Market Act”), and with the regulations of BSE and Magyar Nemzeti Bank (“MNB”).

The organizational structure and operating conditions of the Company are set out in the current articles of association and in the rules of procedure of each body.

1. Introducing the operation and scope of competence of the Board of Directors, Supervisory Board and Audit Committee

1.1 Change in the form of operation of the Company

1.1.1 Prior to accepting this Report, the management was performed by the chief executive officer (“Chief Executive Officer”). Due to the fact that the shareholders of the Company decided upon the listing of the shares of the Company on the stock exchange with their resolution No. 1/2018.04.17. passed without holding general meeting, the shareholders decided upon setting up board of directors („Board of Directors”), supervisory board (“Supervisory Board”) and audit committee (“Audit Committee”) simultaneously with accepting the articles of association that is applicable to public companies limited by shares.

1.1.2 The Board of Directors starts its operation as of 17 April 2018. The Supervisory Board and the Audit Committee starts their operation, in line with the Articles of Association of the Company, upon the effective day of the admission of the shares for trading on the stock exchange (i.e. becoming part of the BSE products list).

1.1.3 Information on the operation and members of the Board of Directors, the Supervisory Board and the Audit Committee are set out under Points 1.2, 1.3 and 1.4. of this Report.

1.2 *Operation and scope of competence of the Board of Directors*

- 1.2.1 The rules related to the operation and competence of the Board of Directors are set out in the articles of association of the Company and in the rules of procedure prepared by the Board of Directors Board of Directors.
- 1.2.2 The Board of Directors is the managing body of the Company which shall report to the General Meeting and to the Audit Committee.
- 1.2.3 The main aim and function of the Board of Directors is the overall management of the activity of the Company, the provision of lawful and economical operation besides the establishment of an operational work organization and the management of the Company. The Chief Executive Officer, who is a member of the Board of Directors, is responsible for the day-to-day management of the Company.
- 1.2.4 The Board of Directors determines its own rules of operation and its own rules of procedure.
- 1.2.5 It is the responsibility of the Board of Directors as a board to decide on all issues that do not pertain to the exclusive competence of the General Meeting, in particular:
- a) management of the Company, control of the management activities of the Chief Executive Officer;
 - b) keeping the Register of Shareholders at the Company;
 - c) granting signatory rights to employees of the Company for a specific group of matters;
 - d) elaboration of the bylaws of the Company and establishment of the working organisation of the Company;
 - e) preparation and presentation of the annual financial statement of the Company prepared in line with the Accounting Act and a proposal for the allocation of the profit after tax;
 - f) keeping the business books of the Company in compliance with the regulations;
 - g) developing a preliminary position and presentation of proposals on issues requiring a decision of the General Meeting; preparation of the annual and long-term technical programs of the Company, the annual financial development and business plans and business policy concepts and control of their execution;
 - h) submission of a draft resolution on the appointment of the auditor of the Company;
 - i) submission of the report presenting the corporate governance of the Company, prepared in a manner required from the companies listed on the Budapest Stock Exchange, to the annual General Meeting;
 - j) preparation of a report on the assets and liabilities and business policy of the Company once a year for the General Meeting and quarterly for the Supervisory Board;
 - k) submission of mandatory reports to the authorities and other agencies;

- l) acquisition of own shares on the basis of the authorisation of the General Meeting or in the course of a court procedure aimed at the settlement of any claim of the Company or within the framework of transformation;
 - m) decision on the increase of the issued capital based on the authorization by the Articles of Association or the General Meeting;
 - n) decision on all issues that do not pertain to the scope of the General Meeting by the law, the General Meeting or the Articles of Association;
- 1.2.6 The mandate of the members of the Board of Directors is for a definite or indefinite period of time.
- 1.2.7 The members of the Board of Directors may be recalled by the General Meeting in line with the provisions of the Articles of Association or their mandate may be terminated in the following cases:
- a) if the mandate is granted for a definite period, then on the expiry date of the definite period mandate;
 - b) if the mandate is subject to a condition of termination, when the condition is met;
 - c) by resignation;
 - d) upon the death of a member of the Board of Directors;
 - e) if the Board of Directors member's legal capacity is limited in the scope required to perform his/her functions;
 - f) upon the occurrence of any grounds for exclusion of the member of the Board of Directors or any reason giving cause to conflict of interest.
- 1.2.8 A member of the Board of Directors may resign from their position in a declaration addressed to the Company, given to another member of the Company's Board of Directors or to the General Meeting at any time.
- 1.2.9 The Board of Directors exercises its rights and obligations as a board.
- 1.2.10 According to the Articles of Association of the Company, a member of the Board of Directors may acquire a share in a different business association that has the same main activity as the activity of the Company, further he or she may be an executive officer or a member of the Supervisory Board in another business association pursuing the same main activity as the Company.
- 1.2.11 According to the Articles of Association of the Company, a member of the Board of Directors may be an executive officer in a credit institution, investment enterprise, investment fund manager, real estate appraisal firm, venture capital fund manager, insurer, reinsurer or a regulated real estate investment trust in which the Company does not have any participation.
- 1.2.12 According to the Articles of Association of the Company, a member of the Board of Directors and his or her relatives may enter into transactions falling within the scope of the main activity of the Company in their own names and for their own benefit.

1.3 *Operation and scope of competence of the Supervisory Board*

- 1.3.1 The Supervisory is set up as the Company becomes a public company limited by shares (upon the day of admission of the shares for trading on the stock exchange, i.e., the shares becoming part of the BSE products list). The provisions of the articles of association and the rules of procedure of the Company are applicable to the operation and scope of competence of the Supervisory Board.
- 1.3.2 The Supervisory Board is the Company's supervisory body. If according to the Supervisory Board, the activities of the management of the Company is contrary to the law or any provision of the Articles of Association, or the resolutions of the General Meeting or otherwise violate the interests of the Company or the General Meeting, the Supervisory Board shall immediately inform the General Meeting in this respect and suggest appropriate measures.
- 1.3.3 The Supervisory Board determines its own rules of operation, its rules of procedure being approved by the General Meeting.
- 1.3.4 The Supervisory Board proceeds as a board. The inspectional tasks may be divided among the members on a permanent basis or based on case-by-case decisions. The division of the inspectional tasks does not affect the responsibility of the member of the Supervisory Board and does not affect his/her right to extend the inspection to other activities that fall within the scope of controlling competence of the Supervisory Board.
- 1.3.5 The Supervisory Board member shall be entitled to bring court action seeking the annulment of a resolution adopted by the General Meeting or other bodies of the Company, if the resolution is unlawful or violates the Articles of Association.
- 1.3.6 If a resolution adopted by the General Meeting or another body of the Company is challenged by an executive officer of the Company, and the Company does not have another executive officer who could represent the Company, a member of the Supervisory Board appointed by the Supervisory Board shall represent the Company in the proceedings.
- 1.3.7 The Supervisory Board shall inspect all major proposals to be submitted to the General Meeting or the Board of Directors and present its position at the General Meeting or the meeting of the Board of Directors.
- 1.3.8 The General Meeting may adopt a resolution on the report prepared in accordance with the Act C of 2000 and the allocation of the profit after taxation only based on a written report prepared by the Supervisory Board.
- 1.3.9 The consent of the Supervisory Board is required for the recommendation of the Board of Directors regarding interim dividends.
- 1.3.10 The Company may only purchase an asset which value exceeds 10% of the balance sheet total with the prior approval of the Supervisory Board.
- 1.3.11 The Supervisory Board performs the ordered inspections with the involvement of its members or external experts.

- 1.3.12 The Supervisory Board monitors the Company's management for the General Meeting. The Supervisory Board may inspect the documents, accounting record and books of the Company, may request information from the executive officers and employees of the Company, may inspect the payment account, cash securities and goods portfolio and contracts of the Company or may engage an expert for the inspection employ an expert for it.
- 1.3.13 If according to the Supervisory Board, the activities of the management of the Company is contrary to the law or any provision of the Articles of Association, or the resolutions of the General Meeting or otherwise violate the interests of the Company or the General Meeting, the Supervisory Board shall immediately inform the General Meeting in this respect and suggest appropriate measures.
- 1.3.14 The Supervisory Board prepares a written report on the statements and assessments of the control carried out by it and its members. The report records the statements of persons who became aware of the statements of the control and of those whose personal liability has arisen. These reports, observations and comments of the relevant Supervisory Board members shall be sent to the members of the Supervisory Board and shall arrive at least five (5) days before the Supervisory Board's meeting.
- 1.3.15 The mandate of members of the Supervisory Board is for a definite or indefinite period of time.
- 1.3.16 The members of the Supervisory Board may be recalled by the decision of the General Meeting anytime.
- 1.3.17 The mandate of members of the Supervisory Board may be terminated in the following cases:
- a) in case of a definite term mandate, upon expiry of the designated term of mandate;
 - b) if the mandate is subject to a condition of termination, when the condition is met;
 - c) by resignation;
 - d) in the event of the death of the Supervisory Board member;
 - e) if the legal capacity of the member of the Supervisory Board is limited in the scope required for performing his/her functions;
 - f) upon the occurrence of any grounds for exclusion of the Supervisory Board member or any reason giving cause to conflict of interest.
- 1.3.18 In accordance with the Articles of Association of the Company, a member of the Supervisory Board may acquire a share in a different business association that has the same core main activity as the activity of the Company and may be an executive officer or a member of the Supervisory Board in another business association pursuing the same core main activity as the Company.

- 1.3.19 The members of the Supervisory Board may be executive officers in a credit institution, investment enterprise, investment fund manager, real estate appraisal firm, venture capital fund manager, insurer, reinsurer or a regulated real estate investment trust in which the Company does not have any participation.
- 1.3.20 The members of the Board of Directors and their relatives may not be elected into the Supervisory Board of the Company.

1.4 *Operation and scope of competence of the Audit Committee*

- 1.4.1 The Audit Committee is set up when the Company becomes a public company limited by shares (on the day of admission of the shares for trading on the stock exchange, i.e., the shares becoming part of the BSE products list). The provisions of the articles of association and the rules of procedure of the Company are applicable to the operation and scope of competence of the Supervisory Board.
- 1.4.2 The Audit Committee is a supervisory body of the Company. The Audit Committee assists the Supervisory Board or the Board of Directors in the supervision of the financial statement regime and in the appointment and co-operation with the auditor.
- 1.4.3 The Audit Committee determines its own rules of operation and its own rules of procedure.
- 1.4.4 The Audit Committee proceeds as a board. The inspectional tasks may be divided among the members on a permanent basis or based on case-by-case decisions
- 1.4.5 The mandate of members of the Audit Committee is for a definite or indefinite period of time.
- 1.4.6 The members of the Audit Committee may be recalled by the decision of the General Meeting anytime
- 1.4.7 The mandate of members of the Audit Committee may be terminated in the following cases:
- a) in case of definite term mandate, upon expiry of the designated term of mandate;
 - b) if the mandate is subject to a condition of termination, when the condition is met;
 - c) by resignation;
 - d) by the death of the Audit Committee member;
 - e) if the legal capacity of the Audit Committee member is limited in the scope required for performing his/her functions;
 - f) upon the occurrence of any grounds for exclusion of the Audit Committee member or any reason giving cause to conflict of interest.
- 1.4.8 In accordance with the Articles of Association of the Company, a member of the Audit Committee may acquire a share in a different business association that has the same main activity as the activity of the Company and may be an executive officer or a member of the Supervisory Board in another business association pursuing the same main activity as the Company.

1.4.9 Audit Committee members shall take part in the work of the Audit Committee in person. Audit Committee members shall be independent of the management of the Company and shall not be bound by any instructions while performing their duties.

1.4.10 At least one member of the audit committee shall have competence in accounting or auditing.

1.4.11 The responsibilities of the Audit Committee:

The Audit Committee assists the Supervisory Board or the Board of Directors in the supervision of the financial statement regime and in the appointment and co-operation with the auditor. Within this role:

- (i) it monitors the effectiveness of the Company's internal quality control and risk management systems and its financial reporting process and submit recommendations or proposals where deemed necessary;
- (ii) it monitors the statutory audit of the annual financial statement, taking into account any findings and conclusions by the authority in charge of the public oversight of auditors as provided for in Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors (hereinafter referred to as "Auditors Act") made during the quality assurance review provided for in the Auditors Act;
- (iii) it reviews and monitors the independence of auditors or the audit firms in accordance with the relevant legislation, and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

2. Introduction of the members of the board of directors, the supervisory board and the audit committee, and description of the committees:

2.1 Members and structure of the Board of Directors, the Chief Executive Officer

2.1.1 Members of the Board of Directors:

György Péter Waberer	His mandate is for an indefinite period of time as of 17 April 2018.
Lívia Wáberer	Her mandate is for an indefinite period of time as of 17 April 2018.
Géza Czákó	His mandate is for an indefinite period of time as of 17 April 2018.

- 2.1.2 Chairman of the Board of Directors: György Péter Waberer.
- 2.1.3 The Chief Executive Officer is a member of the Board of Directors, who is appointed by the General Meeting for this position, the current Chief Executive Officer is: Livia Wáberer.
- 2.1.4 The day-to-day management tasks of the Company are performed by the Chief Executive Officer. His or her competence includes decisions on all issues that do not pertain to the exclusive competence of the General Meeting or the Board of Directors.
- 2.1.5 The Chief Executive Officer shall exercise employer's rights over the Company's employees.
- 2.1.6 The Board of Directors, as a body, exercises the employer rights towards the Chief Executive Officer, other than the rights of appointment and recall, which fall within the competence of the General Meeting.

2.2 *Members of the Supervisory Board*

- 2.2.1 As of the day the Company becomes a public company limited by shares, the following persons will be the members of the Supervisory Board:

Dr. Tibor Endre Illés	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).
Miklós Marján	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).
Zsolt Grebicsaj	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).

- 2.2.2 The chairman of the Supervisory Board will be Zsolt Grebicsaj as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).

2.3 *Members of the Audit Committee*

- 2.3.1 As of the day the Company becomes a public company limited by shares, the independent members of the Supervisory Board listed above at Point 2.2.1. will be the members of the Audit Committee:

Dr. Tibor Endre Illés	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).
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Miklós Marján	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).
Zsolt Grebicsaj	For an indefinite period of time as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).

2.3.2 The chairman of the Audit Committee will be Zsolt Grebicsaj as of the day of admission of the shares of the Company for trading on the stock exchange (i.e. becoming part of the products list).

3. Description of the number of meetings of the board of directors, the supervisory board and the committees, alongside with attendance rate.

Due to the fact that no board of directors, supervisory board, or audit committee existed prior to this Report, no meetings were held by them.

4. Description of the aspects taken into account when evaluating the work of the board of directors, the supervisory board, the management and each members

The Company did not have board of directors previously. The Board of Directors was set up with resolution No. 1/2018.04.17. of the general meeting. The managing activities were performed by the Chief Executive Officer, who carried out the strategy of the Company, pursuant to which, by exploiting the benefits of the size of BILK, it was continuously able to provide constantly high quality, complex rental and closely related operating and logistic services to its existing and future tenants on a competitive price. The shareholders were satisfied with the activity of the Chief Executive Officer.

5. Report on the operation of the committees

Due to the fact that neither supervisory board, nor audit committee existed prior to this Report, it is not possible to report upon their operation yet.

6. Description of the system of the internal controls, evaluation of the activity in question

The Supervisory board and the audit committee will operate after the admission of the shares of the Company for trading on the stock exchange. The responsibility of these bodies will be the control of the managing activity and financial reporting system. Both the supervisory board and the audit committee will prepare reports on a regular basis on their statements specified in their rules of procedure, in which they reveal e.g. if they experienced damage to the efficiency of the internal controlling and risk management systems.

7. Statutory auditor, activity of the auditor

- 7.1 The statutory auditor of the Company is appointed by the General Meeting.
- 7.2 The first auditor of the Company from 8 January 2018 for the 2018 financial year, until the shareholders' resolution approving the financial statement closing the 2018 financial year is adopted, but no later than until 31 May 2019:

Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság

registered seat: 1132 Budapest, Váci út 20.

company registration number: 01-09-267553

chamber registration number: 001165

person responsible for the audit: Zsuzsanna Bartha

mother's maiden name: Ilona Németh

address: 5900 Orosháza, Rákóczi út 25.

chamber membership number: 005268

- 7.3 The auditor performs activities solely related to audit of the Company.

8. An overview of the disclosure policy and the guideline on insider trading of the Company

8.1 *Description of the disclosure policy of the Company*

- 8.1.1 Due to the fact that the public trade of the shares of the Company has not started at BSE yet, at the time of the preparation of this Report, the Company does not have a disclosure policy. After becoming a public company limited by shares, it will apply its disclosure policy that is currently under preparation. The Company will disclose its announcements in line with the relevant legal provisions and stock exchange regulations on its website (www.bilk.hu), on the website of BSE and on the official website operated by MNB. Furthermore, when a legal provision requires, it will disclose them in the Company Gazette and send them also to the media. Besides the currently applicable legal provisions, the regulations of BSE and MNB shall be applicable to the disclosure, date and content of the announcements.

8.2 *Guideline on insider trading of the Company*

8.2.1 At the time of the acceptance of this Report, the Company does not have a policy on insider trading. After becoming a public company limited by shares, it will apply its policy on insider trading policy that is currently under preparation and will keep records for identifying insiders. The policy will cover the criteria for identifying insiders, the rules of appointment and responsibility of the person in charge, and the general terms of keeping these records, further the handling of insider information and the consequences of the abuse therewith. The Company will comply with the provisions set out in regulations and legal provisions on insider trading. The Company will ensure that all insiders become aware of such policy.

9. **Overview of the exercise of the shareholders rights**

9.1.1 Following the admission of the shares of the Company for trading on the stock exchange, the shareholders shall exercise their shareholders rights in accordance with the following points.

9.1.2 Shareholders may exercise their shareholder rights in dealings with the Company only upon being registered in the Register of Shareholders. The omission of registration shall not affect the shareholder's right of ownership of their shares.

9.1.3 The keeper of the Register of Shareholders may refuse the registration 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.

9.1.4 The shareholder's registration in the Register of Shareholders shall be cancelled upon request.

9.1.5 The Company's Register of Shareholders shall be kept by the Board of Directors, or its keeper may be appointed by it. In the latter case, the Company shall publish the appointment and the data of the keeper of the Register of Shareholders on its website. The Register of Shareholders shall specify the following:

- a) the name (company name) and the address (registered seat) of shareholders and proxies or, in the case of jointly owned shares, the name (company name) and address (or registered seat) of the joint representative,
- b) the number of shares (interim shares) for each series of shares held by the shareholders,
- c) and the equity participation of shareholders.

9.1.6 Any data deleted from the Register of Shareholders must remain identifiable.

- 9.1.7 The Board of Directors registers a shareholder into the Register of Shareholders when the shareholder submits a shareholder's declaration available on and downloadable from the Company's website, signed by the shareholder, from which the Company can verify the direct and indirect holders of the shares of the shareholder in order to comply with the provisions of the REIT Act. The shareholder is obliged to ensure that, if changes occur in the data contained in their ownership declaration, they notify the Company's Board of Directors immediately, or no later than 10 (ten) business days.
- 9.1.8 According to Section 3 (3) ha) of the REIT Act, regulated real estate investment trusts are public limited companies where, relative to the total nominal value of the total issued capital, holdings in shares amount up to at least 25 per cent at the time of registration as a regulated real estate investment trust, whose owners individually control - directly or indirectly - not more than 5 per cent of the total nominal value of the total subscribed capital, provided that all shares held by such owners - with the exception of employee shares -- that are admitted to trading on a regulated market („REIT Free Float“).
- 9.1.9 The General Meeting of the Company decided to operate as a public limited company in order to make sure that the state tax authority can register the Company as a regulated real estate investment trust, complying with the provisions of the REIT Act. The Company intends to bear in mind the provision of the REIT Act, for which it must understand the ownership structure of its shareholders. The shareholders' declarations and the provisions of the Articles of Association relating to them ensure that the Company complies with the provisions of the REIT Act.
- 9.1.10 Shareholders may also exercise their shareholder rights through representatives. The same representative may represent more than one shareholder but a shareholder may only have one representative. Executive officers, Supervisory Board members and the auditor cannot be representatives. The power of attorney for representation shall be filed to the Company in an authentic public instrument document or in a private document with full probative force.
- 9.1.11 A shareholder may appoint a shareholder representative to exercise his/her shareholder's rights vis-à-vis the Company. The shareholder's representative exercises the shareholder rights in their own name on behalf of the shareholder. The shareholder representative must be registered with the Register of Shareholders.
- 9.1.12 Own shares shall not entitle the Company to exercise shareholder rights. Own shares shall not count for the purposes of determining the quorum of the General Meeting, or in connection with exercising preferential subscription rights. Any dividend that is payable on own shares shall be taken into account as pertaining to shareholders with respect to the dividends payable on their shares.
- 9.1.13 Shareholders exercise their decision-making rights in accordance with the law or the Articles of Association at the General Meeting of shareholders. The General Meeting is the supreme body of the Company.
- 9.1.14 Participation and voting at the General Meeting is subject to that the shareholder or the shareholder's proxy is registered in the Company's Register of Shareholders no later than on the second working day preceding the General Meeting.

- 9.1.15 In the case of an identification procedure related to the closing of the Register of Shareholders prior to the General Meeting, the keeper of the register of shareholders shall delete all data contained in the register of shareholders at the time of the identification procedure, and shall simultaneously enter the data obtained upon the identification procedure into the register of shareholders and closes them with the data of the identification of the shareholder. After that, any entry affecting the shareholder's shares may be made in the Register of Shareholders no sooner than on the first day after the closing of the General Meeting.
- 9.1.16 The transfer of the share on the day prior to the date of the General Meeting shall not affect the shareholder rights of the individual registered in the Register of Shareholders to attend and to exercise his/her shareholder rights the General Meeting.

10. A brief description of the rules related to the conduct of the General Meeting.

10.1 Conducting of the General Meeting

10.1.1 The Chairman of the Board of Directors, or the person appointed by the Board of Directors, presides over the General Meeting.

10.1.2 The Chairman of the General Meeting:

- a) opens the General Meeting;
- b) assesses the regularity of the convocation of the General Meeting;
- c) verifies the powers of attorney of the representatives of shareholders and their entitlement;
- d) determines that the General Meeting has a quorum and the number of votes that can be cast, or in the absence of a quorum postpones the General Meeting;
- e) recommends the General Meeting to appoint a keeper of the minutes, teller and a shareholder attesting the minutes;
- f) chairs the Meeting in the order of issues as specified in the agenda, presents the proposed draft resolutions;
- g) orders the voting, announces the result of the voting and the resolution of the General Meeting;
- h) orders a break, suspends or closes the General Meeting;
- i) provides for keeping the minutes and preparing the attendance sheet.

10.2 Minutes of the General Meeting

10.2.1 General Meetings shall be recorded in minutes. The minutes shall indicate:

- a) the Company's name and registered office;
- b) the place and time and the procedure for holding the general meeting;
- c) the names of the Chairman of the General Meeting, the keeper of the minutes, the person appointed to witness the minutes and the official vote counters;

- d) key events and proposals made during the General Meeting;
- e) the draft resolutions and, for each resolution, the number of votes that may be and are actually cast in relation to each resolution, the share in the issued capital represented by those votes, the number of cast affirmative and negative votes and the number of abstentions.

10.2.2 The minutes are signed by the Chairman of the General Meeting and by the keeper of the minutes and are authenticated by the shareholder elected as the attestant to the minutes.

10.2.3 The Board of Directors shall submit the minutes of the General Meeting and the attendance list to the court of registry within a period of 30 (thirty) days after the close of the General Meeting.

10.2.4 Any shareholder may request a copy of the minutes of General Meetings or an extract of a part of the minutes from the Board of Directors.

10.2.5 The Company discloses the resolutions adopted at its General Meeting on its website.

11. Remuneration statement

11.1 Salary

11.1.1 The General Meeting is entitled to decide about the salary paid for the members of the Board of Directors, members of the Supervisory Board and the for members of the Audit Committee.

11.1.2 The members of the Board of Directors and the members of the Supervisory Board are entitled to the following benefits:

Name	Position	Honorarium
György Péter Waberer	Chairman of the Board of Directors	Does not receive honorarium.
Wáberer Livia	Member of the Board of Directors	Does not receive honorarium.
Czakó Géza	Member of the Board of Directors	Does not receive honorarium.
Dr. Tibor Endre Illés	Member of the Supervisory Board	Does not receive honorarium. (After the Company becomes a public company limited by shares.)

Miklós Marján	Member of the Supervisory Board	Does not receive honorarium. (After the Company becomes a public company limited by shares.)
Zsolt Grebicsaj	Member of the Supervisory Board	He receives 200,000 HUF honorarium. (After the Company becomes a public company limited by shares.)

11.1.3 Members of the Supervisory Board are not entitled to a separate salary for participation in the Audit Committee's work.

12. Corporate Governance Report

The enforcement of the provisions of the Corporate Governance Recommendation issued by BSE are set out in the Appendix 1 attached to this Report.

ANNEX 1**Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations**

As part of the Corporate Governance Report, by completing the following tables, the company declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd.

By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

Level of compliance with the Recommendations

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

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

Yes (Complies)

No (Please explain)

The Chief Executive Officer ensured the access.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

Previously no Supervisory Board worked at the company.

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

Yes (Complies)

No (Please explain)

No comments on and supplements have been received.

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

Yes (Complies)

No (Please explain)

No comments have been made.

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

Yes (Complies)

No (Please explain)

No written comments have been made.

- R 1.3.10 The election and dismissal of executives took place individually and by separate resolutions.
Yes (Complies) No (Please explain)
- R 2.1.1 The responsibilities of the Managing Body include those laid out in 2.1.1
Yes (Complies) No (Please explain)
- R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.
 Yes (Complies) No (Please explain)

No Board of Directors has been operating at the company previously.

The Supervisory Board held meetings regularly, at times designated in advance.
 Yes (Complies) No (Please explain)

No Supervisory Board has been operating at the company previously.

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

Yes (Complies) No (Please explain)

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

Yes (Complies) No (Please explain)

Currently no Supervisory Board operates at the company, and it has no rules of procedure of the Boards. The rules of procedure of the Boards coming into force after becoming a public limited company is going to cover the regulations.

- R 2.5.1 The Board of Directors / Supervisory Board of the company has a sufficient number of independent members to ensure the impartiality of the board.
Yes (Complies) No (Please explain)
- R 2.5.4 At regular intervals (in connection with the CG Report) the Board of Directors / Supervisory Board requested a confirmation of their independent status from those members considered independent.
 Yes (Complies) No (Please explain)

For the election of the Supervisory Board the rules on conflict of interest in the Civil Code have been taken into account. There has not been a full period elapsed yet, so it has not been confirmed.

- R 2.5.6 The company disclosed on its website the guidelines on the independence of the Board of Directors / Supervisory Board, as well as the criteria applied for assessing independence.
 Yes (Complies) No (Please explain)

The company applies the legal requirements on the independence, no special guidance has been prepared.

- R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant

personal stake in a transaction of the company (or the company's subsidiary).

Yes (Complies)

No (Please explain)

No Board of Directors has been operating at the company previously.

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

Yes (Complies)

No (Please explain)

No such transaction has been made.

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

Yes (Complies)

No (Please explain)

No such transaction has been made and previously no Supervisory Board has been operating at the company.

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

Yes (Complies)

No (Please explain)

No such offer has been made and previously no Supervisory Board has been operating at the company.

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

Yes (Complies)

No (Please explain)

It was not applicable to the company when the report was made. The company is going to apply the guidelines, after the public liability of the company became effective.

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

Yes (Complies)

No (Please explain)

It was not applicable to the company when the report was made. The company is going to apply the guidelines, after the public liability of the company became effective.

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

Yes (Complies)

No (Please explain)

No guidelines have been formulated.

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies)

No (Please explain)

No guidelines have been formulated, and no Supervisory Board has been operating at the company.

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

Yes (Complies) No (Please explain)

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

Yes (Complies) No (Please explain)

The company has been managed by the Chief Executive Officer previously.

R 2.7.2.1 The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

Yes (Complies) No (Please explain)

Previously no Supervisory Board has been operating at the company.

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

Yes (Complies) No (Please explain)

It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.

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

Yes (Complies) No (Please explain)

No benefits that do not represent normal practice have been provided.

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

Yes (Complies) No (Please explain)

No share-incentive schemes have been applied at the company.

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

Yes (Complies) No (Please explain)

No share-incentive schemes have been applied at the company.

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

Yes (Complies) No (Please explain)

No Remuneration Statement was prepared by the company.

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

Yes (Complies)

No (Please explain)**No Remuneration Statement was prepared by the company.**

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

Yes (Complies)

No (Please explain)**It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.**

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

Yes (Complies)

No (Please explain)**It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.**

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

Yes (Complies)

No (Please explain)**It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.**

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

Yes (Complies)

No (Please explain)

It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)**The Chief Executive Officer took into consideration previously.**

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

Yes (Complies)

No (Please explain)

R 2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee / Supervisory Board.

Yes (Complies)

No (Please explain)**The Internal Audit function is performed by the Audit Committee and the Supervisory Board. Previously no Audit Committee and Supervisory Board has been working at the company.**

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

functions.

Yes (Complies)

No (Please explain)

The Internal Audit function is performed by the Audit Committee and the Supervisory Board. Previously no Audit Committee and Supervisory Board has been operating at the company.

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

Yes (Complies)

No (Please explain)

The Internal Audit function is performed by the Audit Committee and the Supervisory Board. Previously no Audit Committee and Supervisory Board has been operating at the company.

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

The Internal Audit function is performed by the Audit Committee and the Supervisory Board, no Internal Audit schedule has been prepared. Previously no Audit Committee and Supervisory Board has been operating at the company.

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

Yes (Complies)

No (Please explain)

No such report has been prepared.

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

Yes (Complies)

No (Please explain)

No such report is prepared at the company.

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

Yes (Complies)

No (Please explain)

It belonged to the responsibilities of the Chief Executive Officer, it is going to be the responsibility of the Board of Directors in the future.

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

Yes (Complies)

No (Please explain)

Previously no Board of Directors, Audit Committee or Supervisory Board operated at the company.

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

bearing on the operations of the company.

Yes (Complies)

No (Please explain)

Previously no Supervisory Board operated at the company, and no such event occurred.

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

Yes (Complies)

No (Please explain)

No such resolution has been made. The single events are considered on a case by case basis.

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

Yes (Complies)

No (Please explain)

The company had no disclosure duty, it is going to publish them after becoming a public limited company.

R 3.1.6.1 On its website, the company disclosed duties delegated to the Nomination Committee, as well as the committees targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies)

No (Please explain)

There is no Nomination Committee operating at the company.

R 3.1.6.2 On its website, the company disclosed duties delegated to the Remuneration Committee, as well as the committees targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies)

No (Please explain)

There is no Remuneration Committee operating at the company.

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

Yes (Complies)

No (Please explain)

Previously no Audit Committee or Supervisory Board operated at the company.

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

Yes (Complies)

No (Please explain)

Previously no Audit Committee or Supervisory Board operated at the company.

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

Yes (Complies)

No (Please explain)

Previously no Audit Committee or Supervisory Board operated at the company.

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

Yes (Complies)

No (Please explain)

The responsibilities of the Nomination Committee belong to the general meeting of the shareholders.

R 3.32 The Nomination Committee provided for the preparation of personnel changes.

Yes (Complies)

No (Please explain)

No Nomination Committee operates at the company.

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

Yes (Complies)

No (Please explain)

No Nomination Committee operates at the company.

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

Yes (Complies)

No (Please explain)

No Nomination Committee operates at the company.

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

Yes (Complies)

No (Please explain)

No Nomination Committee operates at the company.

R 3.4.1 There is a Remuneration Committee operating at the company.

Yes (Complies)

No (Please explain)

The responsibility belongs to the general meeting of the shareholders.

R 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.

Yes (Complies)

No (Please explain)

No Remuneration Committee operates at the company.

R 3.4.3 The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.

Yes (Complies)

No (Please explain)

No Remuneration Committee operates at the company.

The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.

Yes (Complies)

No (Please explain)

No Remuneration Committee operates at the company.

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.

Yes (Complies)

No (Please explain)

No Remuneration Committee operates at the company.

- R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines.
Yes (Complies) No (Please explain)

No Remuneration Committee operates at the company.

- R 3.4.4.1 The Remuneration Committee made proposals regarding the remuneration of individual persons.
Yes (Complies) No (Please explain)

No Remuneration Committee operates at the company.

- R 3.4.4.2 The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.
Yes (Complies) No (Please explain)

No Remuneration Committee operates at the company.

- R 3.4.4.3 The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.
Yes (Complies) No (Please explain)

No Remuneration Committee operates at the company.

- R 3.4.7 The majority of the members of the Remuneration Committee are independent.
Yes (Complies) No (Please explain)

No Remuneration Committee operates at the company.

- R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees.
Yes (Complies) No (Please explain)

No Remuneration and Nomination Committees operate at the company.

- R 3.5.2 The Managing Body carried out the duties of the Nomination Committee and disclosed its reasons for doing so.
Yes (Complies) No (Please explain)

The duty belongs to the general meeting of the shareholders.

- R 3.5.2.1 The Managing Body carried out the duties of the Remuneration Committee and disclosed its reasons for doing so.
Yes (Complies) No (Please explain)

The duty belongs to the general meeting of the shareholders.

- R 4.1.1 In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.
Yes (Complies) No (Please explain)

The company did not have such duty previously. After becoming a public limited company the company is going to comply with the regulation on disclosure. The company is not going to prepare its own disclosure guidelines, it is going to apply the effective laws and the regulation of the Budapest Stock Exchange.

R 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.

Yes (Complies)

No (Please explain)

R 4.1.3 The company's disclosure guidelines include the procedures governing electronic, on-line disclosure.

Yes (Complies)

No (Please explain)

The company has no such guidelines.

The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.

Yes (Complies)

No (Please explain)

R 4.1.4 The Managing Body assessed the efficiency of disclosure processes.

Yes (Complies)

No (Please explain)

It has been assessed by the Chief Executive Officer, it is going to be the responsibility of the Board of Directors.

R 4.1.5 The company published its corporate events calendar on its website.

Yes (Complies)

No (Please explain)

The company did not have such duty previously. After becoming a public limited company the company is going to comply with the regulation on disclosure.

R 4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.

Yes (Complies)

No (Please explain)

The company did not have such duty previously.

R 4.1.8 In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.

Yes (Complies)

No (Please explain)

The auditing firm did not received any other assignments.

R 4.1.9 In the annual report and on the website, the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

No (Please explain)

The company did not have such duty previously.

R 4.1.10 The company provided information on the internal organisation and on the operation of the Managing Body and the Supervisory Board.

Yes (Complies)

No (Please explain)

The company did not have such duty previously.

R 4.1.10.1 The company provided information on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.

Yes (Complies)

No (Please explain)

The company did not have such duty previously.

R 4.1.11 In the annual report and in the Remuneration Statement on the company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

No (Please explain)

It was not applicable for the company.

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

Yes (Complies)

No (Please explain)

The company does not have such guidelines.

R 4.1.13 In order to provide market participants with information, the company publishes its report on corporate governance at the same time that it publishes its annual report.

Yes (Complies)

No (Please explain)

It was not applicable for the company previously, it is going to be applicable in the future.

R 4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.

Yes (Complies)

No (Please explain)

The company follows the effective laws and its own regulations regarding insiders' trading.

In the annual report and on its website, the company published ownership in the company's securities held by the members of the Managing Body, the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes.

Yes (Complies)

No (Please explain)

It was not applicable for the company previously.

R 4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Managing Body and the executive management with a third party, which might have an influence on the operations of the company.

Yes (Complies)

No (Please explain)

The company discloses information about the circumstances that might have influence on the operations of the company.

Level of compliance with the Suggestions

The company should indicate whether the relevant suggestion of the CGR is applied or not (Yes / No). The "yes" statements will apply on the operation as public limited company if the statement is in present tense. The statements in past tense apply on the private limited company.

S 1.1.3	The company has an investor relations department.	<u>Yes</u> / No
S 1.2.1	The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy)	Yes / No
S 1.2.2	The company's articles of association are available on the company's website.	<u>Yes</u> / No
S 1.2.3	The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).	Yes / <u>No</u>
S 1.2.4	Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.	Yes / <u>No</u>
S 1.2.5	The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.	<u>Yes</u> / No
S 1.2.6	Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting.	<u>Yes</u> / No
S 1.2.7	The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by shareholders.	<u>Yes</u> / No
S 1.2.11	At the shareholders' request, the company also provided information on the general meeting electronically.	<u>Yes</u> / No
S 1.3.1	The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.	<u>Yes</u> / No
S 1.3.2	The Managing Body and the Supervisory Board were represented at the general meeting.	Yes / <u>No</u>
S 1.3.3	The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.	Yes / <u>No</u>
S 1.3.4	The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.	<u>Yes</u> / No

S 1.3.5	The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.	Yes / <u>No</u>
S 1.3.6	The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.	Yes / <u>No</u>
S 1.3.7	The company published a press release and held a press conference on the decisions passed at the general meeting.	Yes / <u>No</u>
S 1.3.11	The company's general meeting decided on the different amendments of the articles of association in separate resolutions.	Yes / <u>No</u>
S 1.3.12	The minutes of the general meeting contain the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions that were published by the company within 30 days of the general meeting.	Yes / <u>No</u>
S 1.4.1	The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.	Yes / <u>No</u>
S 1.4.2	The company disclosed its policy regarding anti-takeover devices.	Yes / <u>No</u>
S 2.1.2	The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.	<u>Yes</u> / No
S 2.2.1	The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.	<u>Yes</u> / No
S 2.3.2	Board members had access to the proposals of a given meeting at least five days prior to the board meeting.	<u>Yes</u> / No
S 2.3.3	The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.	<u>Yes</u> / No
S 2.4.1	The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.	<u>Yes</u> / No
S 2.4.2	The composition of boards and the number of members complies with the principles specified in 2.4.2	<u>Yes</u> / No
S 2.4.3	Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.	<u>Yes</u> / No

S 2.5.2	The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.	<u>Yes</u> / <u>No</u>
S 2.5.3	The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.	<u>Yes</u> / <u>No</u>
S 2.5.5	The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.	<u>Yes</u> / <u>No</u>
S 2.7.5	The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.	<u>Yes</u> / <u>No</u>
S 2.7.6	In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.	<u>Yes</u> / <u>No</u>
S 2.8.2	The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.	<u>Yes</u> / <u>No</u>
S 2.8.10	When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10	<u>Yes</u> / <u>No</u>
S 2.8.12	The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee / Supervisory Board.	<u>Yes</u> / <u>No</u>
S 2.9.1	The rules of procedure of the Managing Body cover the procedure to be followed when employing an external advisor.	<u>Yes</u> / <u>No</u>
S 2.9.1.1	The rules of procedure of the Supervisory Board cover the procedure to be followed when employing an external advisor.	<u>Yes</u> / <u>No</u>
S 2.9.1.2	The rules of procedure of the Audit Committee cover the procedure to be followed when employing an external advisor.	<u>Yes</u> / <u>No</u>
S 2.9.1.3	The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor.	<u>Yes</u> / <u>No</u>
S 2.9.1.4	The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor.	<u>Yes</u> / <u>No</u>
S 2.9.4	The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.	<u>Yes</u> / <u>No</u>

S 2.9.5	The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.	<u>Yes</u> / No
S 3.1.2	The chairmen of the Audit Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.	<u>Yes</u> / No
S 3.1.2.1	The chairmen of the Nomination Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.	Yes / <u>No</u>
S 3.1.2.2	The chairmen of the Remuneration Committee regularly inform the Managing Body about the meetings of the committee, and the committee prepared at least one report for the Managing Body and the Supervisory Board in the given business year.	Yes / <u>No</u>
S 3.1.4	The company's committees are made up of members who have the required capabilities, professional expertise and experience to perform their duties.	<u>Yes</u> / No
S 3.1.5	The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5	<u>Yes</u> / No
S 3.2.2	The members of the Audit Committee / Supervisory Board were fully informed about the accounting, financial and operational peculiarities of the company.	Yes / No
S 3.3.3	The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body on the operation of the Managing Body and the work and suitability of the members of the Managing Body.	Yes / <u>No</u>
S 3.3.4	The majority of the members of the Nomination Committee are independent.	Yes / <u>No</u>
S 3.3.5	The rules of procedure of the Nomination Committee includes those details contained in 3.3.5	Yes / <u>No</u>
S 3.4.5	The Remuneration Committee prepared the Remuneration Statement.	Yes / <u>No</u>
S 3.4.6	The Remuneration Committee exclusively consists of non-executive members of the Managing Body.	Yes / <u>No</u>
S 4.1.4	The disclosure guidelines of the company at least extend to those details contained in 4.1.4	<u>Yes</u> / No
	The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.	Yes / <u>No</u>

S 4.1.7 The company's financial reports are in line with the IFRS guidelines. Yes / No

S 4.1.16 The company also prepares and releases its disclosures in English. Yes / No