

## Corporate Governance Statement

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

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

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

#### ***Board of Directors***

The Board of Directors

<b>Name of Board Member</b>	<b>Position</b>
Soós Csaba	Chairman of the Board of Directors
Gagyí Pálffy Attila	Member of the Board of Directors
Bálint László	Member of the Board of Directors

The managing body of the Company is the Board of Directors exercising its rights and liabilities as a body in accordance with the provisions of the Ptk. and other relevant legal regulations. The Board of Directors is mandated and authorised to make all decisions which do not belong to the authority of the Annual General Meeting or any other body on the basis of authorization by any legal regulation or the Rules of the Company. The operation, mandate and authority of the Board of Directors are regulated by the Ptk. and the rules of procedure of the Board of Directors.

#### ***Supervisory Board of the Company***

The Supervisory Board of the Company regularly gets informed about the significant events in the Company, participates in the process of preparing and supervising reports, then accepts them and prepares a report on that. Members of the Supervisory Board:

<b>Name of Supervisory Board Member</b>	<b>Position</b>
Siska Miklós László	Chairman of the Supervisory Board
Bakacsi Gyula	Member of the Supervisory Board
Benke Szabó Viktor	Member of the Supervisory Board
Fekete Attila	Member of the Supervisory Board
Poják Zoltán	Member of the Supervisory Board

The Supervisory Board supervises the management of the Company for the main body of the business association. During this it may require information from the managing officers, examine the books and documents of the Company. The Supervisory Board act as a body and elect a chairman from the members.

The mandate, authority, organization and operation of the Supervisory Board are governed by the provisions of the Ptk. and the rules of procedure of the supervisory Board

### **Audit Committee of the Company**

An Audit Committee works at the public limited corporation, the members of which shall be elected by the Annual General Meeting for the same period of time as the members of the Supervisory Board.

<b>Name of Audit Committee Member</b>	<b>Position</b>
Siska Miklós László	Chairman of the Audit Committee
Bakacsi Gyula	Member of the Audit Committee
Benke Szabó Viktor	Member of the Audit Committee
Fekete Attila	Member of the Audit Committee
Poják Zoltán	Member of the Audit Committee

The mandate and authority of the Audit Committee shall cover anything assigned to it by law or the Articles of Foundation on the basis of the authorisation thereof. The chairman of the Audit Committee shall be elected by the members from the members and makes decisions by simple majority.

### ***Auditor of the Company:***

The responsibility of the selected auditor of the Company is to take care of conducting the audition determined in the Act on Accounting and especially determining whether the balance sheet of the business association in accordance with the Act on Accounting meets the legal regulations, furthermore whether it provides a reliable and real picture of the proprietary and financial situation of the Company as well as the results of its operations.

Auditor of the Company:

Name: BDO Magyarország Könyvvizsgáló Kft.  
Registered seat: 1103 Budapest, Kőér utca 2/A.,  
Registration number: Cg. 01-10-867785  
Chamber number: 002387

Auditor personally liable for the audit:

Name: Ferenc Baumgartner chartered auditor  
Address: 1037 Budapest, Kunigunda útja 22.,  
Mother's maiden name: Margit Szajki,  
Chamber number: 002955

### **The Company's principles in relation to public disclosure:**

The company publishes its notices on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) and the Hungarian National Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and on its own website ([www.e-star.hu](http://www.e-star.hu), [www.enefi.hu](http://www.enefi.hu)) and on the websites of the Budapest Stock Exchange and of the Hungarian National Bank (HFSA), and sends them to the media. The company publishes its notices in the Company Gazette if this is prescribed by the statutory regulations. Since 22 March 2011 the Company has made its notices public through the electronic information network system (ESPI) maintained by the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego*).

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

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

Those shareholders may exercise their right to participate in the Shareholders' Meeting, as well as the other rights associated with the share, whose name is contained in the share register by 6 p.m. on the second (2nd) working day before the starting day of the Shareholders' Meeting (Closure of the Share Register) if by this date the company has received the original copy of the ownership certificate issued by the securities account manager. In addition to the above, the ownership certificate will also be considered to have been duly handed over to the company if the shareholder forwarded it by fax or in any other certifiable manner by the Closure of the Share Register and also hands over the original copy no later than by the start of the Shareholders' Meeting. In the absence of the above, the shareholder cannot participate in the Shareholders' Meeting and cannot exercise the voting and other rights. With respect to the handover to the Company of the ownership certificate, the burden of proof rests with the shareholder.

The securities account manager must issue an ownership certificate for the share upon the shareholder's request. The ownership certificate must include the name of the company limited by shares, the type of shares, the number of shares, the company name and official signature of the securities account manager, and the name (company name) and residence (registered office) of the shareholder. The ownership certificate is valid until the day of the Shareholders' Meeting or of the reconvened Shareholders' Meeting. The ownership certificate must contain the actual number of shares that are held by the shareholder after the stock exchange closes.

The effective date of the ownership certificate may not be earlier than the fifth (5th) working day before the Shareholders' Meeting.

Following the issuance of the ownership certificate the securities account keeper may only record any change on the securities account in respect of the share subject to the simultaneous withdrawal of the ownership certificate. The data contained in the ownership certificate sent to the company has to be identical with the real data at the time of the Closure of the Share Register. If there had been any changes in the number of shares owned by the shareholder or in any other data after presenting the ownership certificate but before the Closure of the Share Register, the shareholder has to present its new ownership certificate to the company pursuant to sub-section 4.1. of the Articles of Association.

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

If the shareholder is not a natural person or is represented by proxy, then the person acting as its proxy shall certify his right of representation either in Hungarian or in English language. (Certificate of incorporation not older than 30 days, specimen signature)

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

The authorization shall be submitted to the Company in the form of a notarial deed or private document of full probative force, by 6 p.m. the 2nd day preceding the shareholders' meeting at the latest. If such authorization is not adequate in terms of form or substance, or it is submitted late, the authorized person shall not be permitted to participate in the shareholders' meeting or to exercise voting and other rights.

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

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

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

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

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

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

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

**Other information on shareholders' rights:**

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

Shareholders are entitled, in a written application submitted no later than 8 days prior to the date of the general meeting, to request information from the Board of Directors on any matter included in the agenda of the general meeting. The Board of Directors may refuse to provide information if, in its opinion, doing so would interfere with a business secret of the Company.

Shareholders holding at least 1% of the votes may, in writing, request the Board of Directors to include an issue in the agenda, provided that reasons are given, and may put forward a proposal for resolution in relation to the agenda items. Shareholders may exercise this right within eight days following the publication of the notice convening the general meeting.

## Level of compliance with the Recommendations

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

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☒ No (Please explain)

*The Company has been using the regulations specified by law.*

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

R 2.1.1      The responsibilities of the Managing Body include those laid out in 2.1.1.  
☒ Yes (Complies) ☐ No (Please explain)

R 2.3.1      The Managing Body held meetings regularly, at times designated in advance.  
☒ Yes (Complies) ☐ No (Please explain)  
The Supervisory Board held meetings regularly, at times designated in advance.  
☒ Yes (Complies) ☐ No (Please explain)

*The Supervisory Board of the Company holds its meetings under its own rules of procedure. The Supervisory Board is not required to report to the Management of the Company. The Management is not entitled to define the functioning or the frequency of meetings of the Supervisory Board. Also the Management is unable to make a statement regarding the frequency of meetings.*

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)

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)

*So far the necessity to strengthen its independence was not needed during the operation of the Company.*

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 rules set out in the applicable law. So far the necessity thereof has not emerged under the operation of the Company.*

- 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)

- 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)

*The transactions of the Company are concluded pursuant to the provisions of the law.*

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)

*The competence rules of the organs of the Company are contained by the Companies Act and the charter of 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)

*There has been not such case.*

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

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

☒ Yes (Complies)

☐ No (Please explain)

*So far the necessity thereof has not emerged under the operation of the Company.*

The Supervisory Board formed an opinion on the remuneration guidelines.  
Yes (Complies) ☐ No (Please explain) ☐

*So far the necessity thereof has not emerged under the operation of 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) ☐

*So far the necessity thereof has not emerged under the operation of the Company.*

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)

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)

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

☒ Yes (Complies) ☐ No (Please explain)

The 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)

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

☒ Yes (Complies) ☐ No (Please explain)

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

☒ Yes (Complies) ☐ No (Please explain)

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

☒ Yes (Complies) ☐ No (Please explain)

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



Yes (Complies)

No (Please explain)

*The Remuneration Statement includes information about the remuneration of the Management Board, the Supervisory Board and the Audit Committee according with the law.*

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

*That kind of policy has been not developed at the Company.*

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

*That kind of policy has been not developed at the Company.*

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)

*That kind of policy has been not developed at the Company.*

- 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)

*Those kinds of functions have been not developed 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)

*Those kinds of functions have been not developed 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)

*Those kinds of functions have been not developed at the Company.*

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

Yes (Complies)

No (Please explain)

*Those kinds of functions have been not developed at the Company.*

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)

*Those kinds of functions have been not developed 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)

*Those kinds of reports have been not developed at the Company.*

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)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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)

*There has been not such case.*

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

Yes (Complies)

No (Please explain)

This depends on the single case and of the circumstances.

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)

This depends on the single case and of the circumstances.

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)

*That kind of Committee has been not working 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)

*That kind of Committee has been not working 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)

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)

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)
	The Company does not have knowledge of the above.	
R 3.3.1	There is a Nomination Committee operating at the company.	
	Yes (Complies)	No (Please explain)
	<i>The size of the Company has not made it necessary yet.</i>	
R 3.3.2	The Nomination Committee provided for the preparation of personnel changes.	
	Yes (Complies)	No (Please explain)
	The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.	
	Yes (Complies)	No (Please explain)
	<i>The size of the Company has not made it necessary yet.</i>	
	The Nomination Committee evaluated the activity of board and executive management members.	
	Yes (Complies)	No (Please explain)
	<i>The size of the Company has not made it necessary yet.</i>	
	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)
	<i>The size of the Company has not made it necessary yet.</i>	
R 3.4.1	There is a Remuneration Committee operating at the company.	
	Yes (Complies)	No (Please explain)
	<i>The size of the Company has not made it necessary yet.</i>	
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)
	<i>The size of the Company has not made it necessary yet.</i>	
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)

*The size of the Company has not made it necessary yet.*

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)

*The size of the Company has not made it necessary yet.*

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

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines.

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

R 3.4.4.1 The Remuneration Committee made proposals regarding the remuneration of individual persons.

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

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)

*The size of the Company has not made it necessary yet.*

R 3.4.4.3 The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

R 3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and

Nomination Committees.

Yes (Complies)

No (Please explain)

*The size of the Company has not made it necessary yet.*

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 size of the Company has not made it necessary yet.*

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 size of the Company has not made it necessary yet.*

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 size of the Company has not made it necessary yet.*

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 not published such kind of Guideline yet.*

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

*The Company has been using the deadlines specified by law.*

- 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 has been using the regulations specified by law.*

- 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)

*No other orders.*

- 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 has been publishing these information at the same time with the nomination.*

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

Yes (Complies)

No (Please explain)

*The Company has been publishing these information at the same time with the nomination.*

- 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 has been using the regulations specified by law.*

- 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)

*The Company has been using the regulations specified by law.*

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 has been using the regulations specified by law.*

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

The Company implemented an insider trading policy and not guidelines.

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

Yes (Complies)

No (Please explain)

*The Company has been using the regulations specified by law.*

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 has been using the regulations specified by law.*



### Level of compliance with the Suggestions

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

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

	exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.	No
S 1.3.5	The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.	Yes / No
S 1.3.6	The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.	Yes / No
S 1.3.7	The company published a press release and held a press conference on the decisions passed at the general meeting.	Yes / No
S 1.3.1	The company's general meeting decided on the different amendments of the articles of association in separate resolutions.	Yes / No
S 1.3.2	The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.	Yes / No
S 1.4.1	The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.	Yes / No
S 1.4.2	The company disclosed its policy regarding anti-takeover devices.	Yes / No
S 2.1.2	The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.	Yes / No
S 2.2.1	The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.	Yes / No
S 2.3.2	Board members had access to the proposals of a given meeting at least five days prior to the board meeting.	Yes / No
S 2.3.3	The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.	Yes / No
S 2.4.1	The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.	Yes / No
S 2.4.2	The composition of boards and the number of members complies with the principles	Yes /

	specified in 2.4.2	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 program.	Yes / No
S 2.5.2	The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.	Yes / No
S 2.5.3	The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.	Yes / No
S 2.5.5	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.	Yes / No
S 2.7.5	The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.	Yes / No
S 2.7.6	In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.	Yes / No
S 2.8.2	The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.	Yes / No
S 2.8.0	When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10	Yes / No
S 2.8.2	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.	Yes / No
S 2.9.1	The rules of procedure of the Managing Body cover the procedure to be followed when employing an external advisor.	Yes / No
S2.9.1.	The rules of procedure of the Supervisory Board cover the procedure to be followed : when employing an external advisor.	Yes / No
S2.9.1.	The rules of procedure of the Audit Committee cover the procedure to be followed when : employing an external advisor.	Yes / No

S2.9.1.	The rules of procedure of the Nomination Committee cover the procedure to be followed when employing an external advisor.	Yes / No
S2.9.1.	The rules of procedure of the Remuneration Committee cover the procedure to be followed when employing an external advisor.	Yes / No
S 2.9.4	The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.	Yes / No
S 2.9.5	The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.	Yes / No
S 3.1.2	The chairmen of the Audit Committee 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 / No
S3.1.2.	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 / No
S3.1.2.	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 / No
S 3.1.4	The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.	Yes / No
S 3.1.5	The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5	Yes / No
S 3.2.2	The members of the Audit Committee / 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 / No
S 3.3.4	The majority of the members of the Nomination Committee are independent.	Yes / No
S 3.3.5	The rules of procedure of the Nomination Committee includes those details contained in 3.3.5	Yes / No
S 3.4.5	The Remuneration Committee prepared the Remuneration Statement.	Yes / No

S 3.4.6	The Remuneration Committee exclusively consists of non-executive members of the Managing Body.	Yes / <input checked="" type="checkbox"/> No
S 4.1.4	The disclosure guidelines of the company at least extend to those details contained in 4.1.4	<input checked="" type="checkbox"/> Yes / No
	The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.	Yes / <input checked="" type="checkbox"/> No
S 4.1.7	The company's financial reports followed IFRS guidelines.	<input checked="" type="checkbox"/> Yes / No
S 4	The company also prepares and releases its disclosures in English.	<input checked="" type="checkbox"/> Yes / No

Budapest, 31.03.2015

ENEFI Energy Efficiency Plc.