



Appendix 2

**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.

1.1.1 The Board of Directors ensured that shareholders received access to information in time to enable them to exercise their rights.

**Yes**

No (Please explain)

1.1.2 The company applies the “one share – one vote” principle.

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

1.2.10 Shareholders’ comments on and supplements to the items on the agenda were published at least two days before the general meeting.

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)



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

**Yes**

No (Please explain)

2.1.1 The responsibilities of the Board of Directors include those laid out in 2.1.1.

**Yes**

No (Please explain)

2.3.1 The Board of Directors held meetings regularly, at times designated in advance.

**Yes**

No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

2.5.1 The Board of Directors of the company has a sufficient number of independent members to ensure the impartiality of the board.

**Yes**

No (Please explain)

2.5.4 At regular intervals (in connection with the annual CG Report) the Board of Directors requested a confirmation of their independent status from those members considered independent.

**Yes**

No (Please explain)

2.5.5 At regular intervals (in connection with the annual CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.

**Yes**

No (Please explain)

2.5.7 The company disclosed on its website the guidelines on the independence of the Board of Directors and the Supervisory Board, as well as the criteria applied for assessing independence.

**Yes**

No (Please explain)

2.6.1 Members of the Board of Directors informed the Board of Directors (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**

No (Please explain)

2.6.2 Transactions between board and management members (and any other person in a close relationship to them) and the company (or the company's subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules.

**Yes**

No (Please explain)

Transactions 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**

No (Please explain)



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

**Yes** No (Please explain)

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

**Yes** No (Please explain)

The Board of Directors established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

**Yes** No (Please explain)

2.7.1 The Board of Directors formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Board of Directors, the Supervisory Board and the management.

**Yes** No (Please explain)

The Supervisory Board formed an opinion on the remuneration guidelines.

**Yes** No (Please explain)

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

**Yes** No (Please explain)

2.7.2. The Board of Directors evaluated the work it carried out in the given business year. The Supervisory Board evaluated the work it carried out in the given business year.

**Yes** No (Please explain)

2.7.3 It is the responsibility of the Board of Directors to monitor the performance of and determine the remuneration for the management.

**Yes** No (Please explain)

The frameworks of benefits due to members of the 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** No (Please explain)

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

**Yes** No (Please explain)

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

**Yes** No (Please explain)

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

**Yes** No (Please explain)



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

**Yes** No (Please explain)

2.8.1 The Board of Directors or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

**Yes** No (Please explain)

Board of Directors requests information on the efficiency of risk management procedures at regular intervals.

**Yes** No (Please explain)

The Board of Directors took the necessary steps to identify the major risk areas.

**Yes** No (Please explain)

2.8.3 The Board of Directors formulated the principles regarding the system of internal controls.

**Yes** No (Please explain)

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

**Yes** No (Please explain)

2.8.4 When developing the system of internal controls, the Board of Directors took into consideration the viewpoints included in 2.8.4.

**Yes** No (Please explain)

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

**Yes** No (Please explain)

2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee.

**Yes** No (Please explain)

The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanism and corporate governance functions.

**Yes** No (Please explain)

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

**Yes** No (Please explain)

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

**Yes** No (Please explain)

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

**Yes** No (Please explain)



2.8.9 The Board of Directors prepared its report for shareholders on the operation of internal controls.

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

2.9.2 The Board of Directors, 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**

No (Please explain)

2.9.3 The Board of Directors informed the Supervisory Board of any assignment given to the auditor or an external advisor in connection with any event which held significant bearing on the operation of the company.

**Yes**

No (Please explain)

The Board of Directors pre-determined in a resolution what circumstances constitute significant bearing.

**Yes**

No (Please explain)

3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, the Nomination Committee and 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**

No (Please explain)

*The duties of the Nomination Committee are carried out by the Board of Directors.*

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

**Yes**

No (Please explain)

3.2.3 The Audit Committee 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**

No (Please explain)

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

**Yes**

No (Please explain)

3.3.1 There is a Nomination Committee operating at the company

Yes

**No** (Please explain)

*The duties of the Nomination Committee are carried out by the Board of Directors.*



- 3.3.2 The Nomination Committee provided for the preparation of personnel changes.  
Yes **No** (Please explain)  
*The duties of the Nomination Committee are carried out by the Board of Directors.*  
The Nomination Committee reviewed the procedures regarding the election and appointment of members of the management.  
Yes **No** (Please explain)  
*The duties of the Nomination Committee are carried out by the Board of Directors.*  
The Nomination Committee evaluated the activity of board and management members.  
Yes **No** (Please explain)  
*The duties of the Nomination Committee are carried out by the Board of Directors.*  
The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Board of Directors.  
Yes **No** (Please explain)  
*The duties of the Nomination Committee are carried out by the Board of Directors.*
- 3.4.1 There is a Remuneration Committee operating at the company.  
**Yes** No (Please explain)
- 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the management (individual levels and the structure of remuneration), and carries out its monitoring.  
**Yes** No (Please explain)
- 3.4.3 The remuneration of the management was approved by the Board of Directors based on the recommendation of the Remuneration Committee.  
**Yes** No (Please explain)  
The remuneration of the Board of Directors was approved by the general meeting based on the recommendation of the Remuneration Committee.  
**Yes** No (Please explain)  
The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.  
**Yes** No (Please explain)
- 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines and the remuneration of individual persons.  
**Yes** No (Please explain)  
The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the management.  
**Yes** No (Please explain)  
The Remuneration Committee checked whether the company fulfilled its disclosure obligations regarding remuneration issues.  
**Yes** No (Please explain)



- 3.4.7 The majority of the members of the Remuneration Committee are independent.  
**Yes** No (Please explain)
- 3.5.1 The Board of Directors disclosed its reasons for combining the Remuneration and Nomination Committees.  
Yes **No** (Please explain)  
*These Committees are not combined by the Board of Directors.*
- 3.5.2 The Board of Directors carried out the duties of the Remuneration and Nomination Committees and disclosed its reasons for doing so.  
Yes **No** (Please explain)  
*Only the duties of the Nomination Committee are carried out by the Board of Directors.*
- 4.1.1 In its disclosure guidelines, the Board of Directors 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** No (Please explain)
- 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.  
**Yes** No (Please explain)
- 4.1.3 The Company's disclosure guidelines include the procedures governing electronic, on-line disclosure.  
**Yes** No (Please explain)  
The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.  
**Yes** No (Please explain)
- 4.1.4 The Board of Directors assessed the efficiency of disclosure processes.  
**Yes** No (Please explain)
- 4.1.5 The company published its corporate events calendar on its website.  
**Yes** No (Please explain)
- 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** No (Please explain)
- 4.1.8 In the annual report, the Board of Directors 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** No (Please explain)
- 4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Board of Directors, the Supervisory Board and the management.  
**Yes** No (Please explain)



4.1.10 The company provided information on the internal organisation and operation of the Board of Directors and the Supervisory Board and on the criteria considered when evaluating the work of the Board of Directors, the management and the individual members thereof.

**Yes**

No (Please explain)

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 Board of Directors, the Supervisory Board and the management.

**Yes**

No (Please explain)

4.1.12 The Board of Directors 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**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)

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

**Yes**

No (Please explain)





### **Level of compliance with the Suggestions**

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

- |        |  |                        |
|--------|--|------------------------|
| 1.1.3  | The Company has an investor relations department.  | <b><u>Yes</u></b> / No |
| 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)  | <b><u>Yes</u></b> / No |
| 1.2.2  | The company's Articles of Association are available on the company's website.  | <b><u>Yes</u></b> / No |
| 1.2.3  | The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).  | <b><u>Yes</u></b> / No |
| 1.2.4  | The information and the documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.   | <b><u>Yes</u></b> / No |
| 1.2.5  | The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.   | <b><u>Yes</u></b> / No |
| 1.2.6  | The 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.   | <b><u>Yes</u></b> / No |
| 1.2.7  | The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by shareholders.   | <b><u>Yes</u></b> / No |
| 1.2.11 | At the shareholders' request, the company also provided information on the general meeting electronically.   | <b><u>Yes</u></b> / No |
| 1.3.1  | The identity of the chairman of the general meeting was approved by the company's general meeting before discussing the agenda items.  | <b><u>Yes</u></b> / No |
| 1.3.2  | The Board of Directors and the Supervisory Board were represented at the general meeting.  | <b><u>Yes</u></b> / No |
| 1.3.3  | The company's Articles of Association render possible that at the initiation of the chairman of the Board of Directors 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 agenda items. | <b><u>Yes</u></b> / No |
| 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.  | <b><u>Yes</u></b> / No |



- 1.3.5 The company published on its website within 3 day 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 do. **Yes** / No
- 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
- 1.3.7 The company published a press release and held a press conference on the decisions passed at the general meeting. **Yes** / No
- 1.3.11 The company's general meeting decided on the different amendments of the Articles of Association in separate resolutions. **Yes** / No
- 1.3.12 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
- 1.4.1 The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation. **Yes** / No
- 1.4.2 The company disclosed its policy regarding anti-takeover devices. **Yes** / No
- 2.1.2 The rules of procedure define the composition of the Board of Directors and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters. **Yes** / No
- 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
- 2.3.2 The Board members had access to the proposals of a given meeting at least 5 days before the board meeting. **Yes** / No
- 2.3.3 The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the board. **Yes** / No
- 2.4.1 The election of the members of the Board of Directors took place in a transparent way, information on candidates was made public at least 5 days before the general meeting. **Yes** / No
- 2.4.2 The composition of boards and the number of members complies with the principles specified in 2.4.2. **Yes** / No
- 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. **Yes** / No



- 2.5.2 The separation of the responsibilities of the Chairman of the Board of Directors from those of the Chief Executive Officer has been outlined in the basic documents of the company. **Yes** / No
- 2.5.3 The company published a statement about the means it uses to ensure that the Board of Directors gives an objective assessment of the management's work where the functions of Chairman and CEO are combined. **Yes** / No
- 2.5.6 The company's Supervisory Board has no member who held a position in the Board of Directors or the management of the company in the 3 years before his nomination. **Yes** / No
- 2.7.5 The development of the remuneration system of the Board of Directors, the Supervisory Board and the management serves the strategic interests of the company and thereby those of the shareholders. **Yes** / No
- 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
- 2.8.2 The Board of Directors 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
- 2.8.10 When evaluating the system of internal controls, the Board of Directors took into consideration the aspects mentioned in 2.8.10. **Yes** / No
- 2.8.12 The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the management, and submitted its report on the matter to the Audit Committee. **Yes** / No
- 2.9.1 The rules of procedure of the Board of Directors, the Supervisory Board and the committees cover the procedure to be followed when employing an external advisor. **Yes** / No
- 2.9.4 The Board of Directors may invite the company's auditor to participate in those meetings where it debates general meeting agenda items. **Yes** / No
- 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
- 3.1.2 The chairmen of the Audit Committee, the Nomination Committee, the Remuneration Committee (and any other committees operating at the company) regularly inform the Board of Directors about the meetings of the committee, and the committees prepared at least one report for the Board of Directors and the Supervisory Board in the given business year. **Yes** / No



- 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
- 3.1.5 The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5. **Yes** / No
- 3.2.2 The members of the Audit Committee were fully informed about the accounting, financial and operational peculiarities of the company. **Yes** / No
- 3.3.3 The Nomination Committee prepared at least one evaluation for the Chairman of the Board of Directors on the operation of the Board of Directors and the work and suitability of the members of the Board of Directors. **Yes** / No
- 3.3.4 The majority of the members of the Nomination Committee are independent. Yes / **No**
- 3.3.5 The rules of procedure of the Nomination Committee include those details contained in 3.3.5. Yes / **No**
- 3.4.5 The Remuneration Committee prepared the Remuneration Statement. **Yes** / No
- 3.4.6 The Remuneration Committee exclusively consists of non-executive members of the Board of Directors. **Yes** / No
- 4.1.4 The disclosure guidelines of the company at least extend to those details contained in 4.1.4. **Yes** / No
- The Board of Directors informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures. **Yes** / No
- 4.1.7 The company's financial reports followed IFRS guidelines. **Yes** / No
- 4.1.16 The company also prepares and releases its disclosures in English. **Yes** / No

Győr, April 2009