

RÁBA Automotive Holding Plc.

# **Remuneration rules and policy**

**September 30, 2021**

Approved by the RÁBA Plc's resolution 6/2021.09.30 of General Meeting

Pursuant to Act CXXII of 2009 on the Economical Operation of Public Business Organisations (hereinafter the Economical Act) and Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes (hereinafter the SRD Act) Rába Plc., (hereinafter the Company) adopted the following Remuneration rules and policy (hereinafter Policy).

## GENERAL PROVISIONS

1. The Remuneration rules and policy aims to contribute to the business strategy, long-term interests and sustainability of the Company by the determination of the remuneration rules and principles and by the inspiration of the persons concerned.

2. As used in the present Policy:

- a) *Employee in executive position (Executive)*: Employees of the Company in chief executive positions or those considered chief executive employees as per Subsection (1) of Section 208 of Act I of 2012 on the Labour Code (hereinafter: Labour Code), and respectively employees within the scope of regulations on employees in executive positions as per Subsection (2) of Section 208 of the Labour Code;
- b) *Director*: persons or members of a body entitled to make decisions regarding the management of the Company that do not fall under the competence of the members or founders of the Company and are thus members of the Board of Directors of the Company;
- c) *Member of the Supervisory Board*: the chairman and members of the Company's Supervisory Board;
- d) *Officer*: persons in positions as described in sections b) and c) above.

3. The Company shall remunerate the Executives and Officers only upon the Policy approved by the General Meeting of the Company.

After the General Meeting's decision the Policy is published together with the date and result of the voting and made available continuously during the period of its validity.

Pursuant to Section 3:268 of the Civil Code, the Company shall put the Policy to the agenda of the General Meeting in case a significant change thereof, but at least every four years.

4. Pursuant to Subsection (4) of Section 5 of the Economical Act, the provisions of the present Policy cannot be derogated in a regular form.

## SCOPE OF THE POLICY

5. The personal scope of the Policy encompasses executives, directors and Supervisory Board members of the Company.

6. The scope of this Policy covers, in terms of employees in executive position, directors and supervisory board members of the Company:

- a) The method, principles of the extent and system of the remuneration,
- b) The method, principles of the extent and system of the payments due in the event of termination of the legal relationship,
- c) Agreements (non-compete agreements) concluded pursuant to Section 228 and Subsections (3)-(4) of Section 207 of the Labour Code.

## REMUNERATION PRINCIPLES AND RULES PERTAINING TO THE EXECUTIVES

### 7. Main pillars of the remuneration of the Executive

#### 7.1. Base salary

It is a fix, monthly payment guaranteed by the employment contract, whose volume influenced by the job, the functions and the skills and experiences of the Executive. The base salary is revised on a regular basis, with the aim to remain competitive on the labour market.

#### 7.2. Annual Bonus

A performance requirement and the related bonus or other benefits can be determined for the executive in employment relation with the Company, by the person or entity exercising employer's rights.

A bonus scheme promoting the successful implementation of the Company's business policy, economic and strategic objectives for the given year and incentivising efficient operation shall be enforced for Executive.

Performance requirements shall be determined in such a way that they shall be attainable through objectively defined performance based on discharging one's duties with the expected expertise and care.

Performance requirements and conditions shall, to the extent possible, be determined simultaneously with the adoption of the business plan for the current year, or within 30 days thereafter or afterwards, in especially justified cases. The target set shall specify especially the combined maximum amount of the bonus, the tasks to be performed, performance requirements, the portion of the bonus linked to them, as well as the deadline for delivery, the possibility or prohibition of advance payment and the name of the organ or person entitled to perform evaluation and payment.

### **7.3. Cost reimbursements and other benefits**

The Executive may be entitled to the following, as a standard part of the employment contract:

- a) Based on the provisions of the individual employment contract, the Executive has the right to use for both official and private purposes a vehicle owned or leased or otherwise operated by the Company, in accordance with the provisions of the Company's internal vehicle use regulations and of the tax regulations in force.
- b) To use his own passenger vehicle for official purposes as well, pursuant to the provisions of his individual employment contract, in which case he is entitled to cost reimbursement as per the relevant regulations, based on the mileage record to the extent established by the employer in relation to his job, in terms of km/months.
- c) To use a mobile telephone, laptop and other info communication tools (e.g. tablet), owned, rented or leased by the Company, with the parameters established by the Company, and to have the related expenses reimbursed.
- d) In the case of the Executive, to use services defined by the Company's internal regulations for missions in the case of official domestic missions or missions abroad (exclusively to service(s) related to official, business travels as set forth in Paragraph a) of Subsection (1) of Section 70 of Act CXVII of 1995 on personal income tax (hereinafter: PIT).
- e) To the extent and in accordance with the rules applicable to non-executive employees, the executive may be entitled to extra payments and other welfare and social benefits as regulated by the PIT in effect.

**7.4.** In consideration of the provisions of Subsections 81) and (3) of Section 209 of the Labour Code, the provisions of the collective bargaining agreement do not apply to the executive. Accordingly, the employment contract of the executive cannot contain provisions, according to which the executive "is entitled to welfare and social benefits as per the collective bargaining agreement".

## **8. Benefits due for the executive based on the employment contract in the event of termination of employment**

**8.1.** In the case of fix-term employment, the Executive is entitled to benefits as per the general rules of the Labour Code, digressions from these provisions benefiting the employee are not permitted.

**8.2.** In the event of termination of an indefinite employment, in terms of the notice period and the severance pay, the Executive shall be governed by the Labour Code and other related regulations, as well as by the provisions of this Policy.

**8.3.** The termination of the employment of the Executive shall otherwise be governed by the provisions of the Labour Code.

## **9. Non-compete agreements**

Non-compete agreements can be concluded with employees in executive position as per Section 208 of the Labour Code, with the consent of the person or entity exercising employer's rights, for a maximum term of one year.

The person or entity exercising employer's rights can determine the job for which non-compete agreements can be concluded and can set further conditions.

The consideration for the term of the agreement, as per the non-compete agreement cannot exceed 50% of the absence fee due for the same period.

## **REMUNERATION PRINCIPLES AND RULES PERTAINING TO THE OFFICERS**

### **10. Main pillars of the remuneration of the Officers**

#### **10.1. Honorarium**

The remuneration of the Officers shall be determined in such a way that its amount should be commensurate with the extent of responsibility, the economic capabilities of the Company and should be proportionate with the work done by the director and be in line with the social prestige of the position and with the position of the Company in the business sector.

The election, recall of the Chairman and the Members of the Board of Directors, the Chairman and the Members of the Supervisory Board and the Members of the Audit Committee and the establishment of their remuneration fall under the exclusive competence of the General Meeting.

The remuneration of the Officers, due for this legal relation of theirs cannot exceed the amount set forth in the Economical Act.

The Officers are not entitled to receive compensation if their appointment is terminated.

Entitlement to remuneration or to its proportionate part pertains to the Officers from the starting date of their function and ceases on the date of termination of the function, regardless of the nature of the reason of ceasing the mandate.

In the event of liquidation of the Company, the amount of the earlier remuneration of the members of the Supervisory Board can be reduced by the general meeting of the Company, effective the start date of the liquidation. In the event of the Company's liquidation, the Officers not entitled to receive remuneration.

#### **10.2. Cost reimbursements and other benefits**

The Company reimburses the justified and documented non-personnel costs incurred directly during the exercise of its duties, i.e. the costs of the participation in the meetings or the travel, accommodation, communication and meal costs incurred specifically in the interest of the Company for other purposes.

The Officers are entitled to receive additional benefits besides the Officers' cost reimbursement mentioned above and the monthly honorarium determined by the general meeting, only with the specific approval of the general meeting.

## **CLOSING PROVISIONS**

**11.** This Policy enters into force on the day when it is approved by the general meeting of shareholders of the Company, its provisions are applicable from the day when it enters into force. This Policy shall be valid until it is repealed. On the day this Policy enters into force, it shall supersede the earlier Remuneration rules and policy issued for the Company.

This Policy does not prejudice the provisions of contracts concluded before the first remuneration regulation introduced on 23 July 2013 entered into force in the Company, in accordance with the ban on the application of retroactive effect and the requirements for the two-sidedness of contracts. Should there be a discrepancy between the provisions of this Policy and those of the contracts concluded before the remuneration regulation of 23 July 2013 entered into force, the provisions set forth in the employment contract shall be applied.

Győr, September 30, 2021