



MBH BANK NYRT.
CORPORATE GOVERNANCE REPORT FOR 2023

MARCH 2024

Important notice

“Hungarian language is the official and registered language of MBH Bank Plc’s („the Issuer”) disclosures pursuant to the relevant legal and stock-exchange rules. The present English translation has been prepared on a voluntary basis, with the best care and intention of the Issuer to inform English speaking investors, however, in the event of any controversy between the Hungarian and English version, the authentic Hungarian version shall prevail.”

Preamble

Considering that MBH Bank Nyrt. (hereinafter: Company) former name: MKB Bank Nyrt.'s (hereinafter: MKB) shares were admitted in Budapest Értéktőzsde Nyrt.'s (hereinafter: 'BÉT') standard category on 30 May 2019, in accordance with market practice and the BÉT Corporate Governance Recommendations (hereinafter: 'Recommendations')¹, the Bank prepared its Corporate Governance Report for the fifth time after March 2020.

Magyar Bankholding Zrt. (hereinafter: Magyar Bankholding) commenced effective operations on 15 December 2020, after the main shareholders of Budapest Bank Zrt. (hereinafter: Budapest Bank), MKB and Magyar Takarékszövetkezeti Bank Zrt. (hereinafter: MTB) contributed their bank shares to the joint holding company, subject to the approval of the National Bank of Hungary (hereinafter: MNB).

A key element of the merger is the creation of a single organisational governance structure in Magyar Bankholding and its member banks.

On 15 December 2021, the highest bodies of MKB Bank, Budapest Bank and Magyar Takarék Bankholding Zrt., which owns MTB, approved the first step of the merger timetable of Budapest Bank, MKB Bank and MTB. In accordance with the merger schedule, based on the relevant decisions of the supreme bodies and in possession of the necessary regulatory approvals, the merger of the two member banks of Magyar Bankholding, Budapest Bank and MKB Bank, as well as Magyar Takarék Bankholding Zrt. was completed on 31 March 2022. The merged bank temporarily continued to operate under the name MKB Bank Nyrt.

After 29 April 2022, MKB Bank exercised the group governance function over the MKB banking group.

On December 9, 2022, the supreme bodies of MKB Bank and Takarékbank Zrt. adopted the decision proposals for the merger of the two member banks as part of the implementation of the second step of the Magyar Bankholding merger timetable. According to the decision of the General Meetings and in possession of the required official permits and licences, the two member banks of the banking group, MKB Bank Nyrt. and Takarékbank Zrt., merged on 30 April 2023 and then continued their operations under the name MBH Bank Nyrt. with a single brand name and image. Thus the treble merger controlled by Magyar Bankholding was completed.

The Company continues to attach great importance to the development and operation of a corporate governance system that complies with best market practice and ensures efficient and effective operation, and responsible corporate governance.

The Company intends to comply at the possible highest level with the Corporate Governance Recommendations published by BÉT. The governance structure of the Company will also be developed during the integration by taking into account the legal, supervisory and stock exchange requirements, and by considering the specificities of the business.

The Corporate Governance Recommendations published by BÉT are designed to formulate guidelines facilitating compliance by public limited companies (issuers) with all internationally recognised rules and standards of responsible corporate governance in the course of their operation. Another purpose of the Recommendations is to make transparent the structure of responsible corporate governance and controllable also in Hungary by making information pertaining to the management and operation of issuers publicly available.

¹ BÉT Corporate Governance Recommendations:

<https://www.bet.hu/Kibocsatok/Ajanlasok-kibocsatoknak/Felelos-tarsasagiranyitas>

Issuers should make statements about their corporate governance practice mandatory presented to the annual general meeting in two different ways. On the one hand, companies should make a statement on the corporate governance practices they used in the given business year and secondly the issuers should give an account of their compliance with each point of the Recommendations.

Following the structure above the Company's Corporate Governance Report has two parts:

1. Declaration of Corporate Governance practice
2. Introduction of compliance with the Corporate Governance Recommendations

1.) Declaration of Corporate Governance practice

Throughout its operation the Company fully complies with the applying governing law, the supervisory resolutions, the rules of BÉT and the Responsible Corporate Governance Recommendations. The structure of the Company and its conditions of operations are described in its Articles of Association approved by the General Meeting.

1.1. Governing bodies of the Company

A) Board of Directors

The Board of Directors is the Company's managing body. The members of the Board of Directors represent the Company with regard to third parties, at court and before other authorities. The Board of Directors shall develop and manage the work organisation of the Company. According to Section 150 of the Hpt. the employer's rights are exercised by the General Meeting in terms of the CEO. Within the framework of effective laws and resolutions adopted by the General Meeting, the Board of Directors shall be entitled to take any actions and make any decisions that do not form part of the exclusive powers of the General Meeting or the Supervisory Board.

The Board of Directors shall prepare a report at least annually to the General Meeting and at least quarterly to the Supervisory Board on the management, financial position and business policy of the Company. The Board of Directors shall consist of minimum 3 and maximum 9 members. Members of the Board of Directors shall be elected by the General Meeting for a definite term of maximum five years. The members of the Board of Directors may be re-elected and may be recalled at any time by the General Meeting without giving reasons, in accordance with the provisions of the Articles of Association.

Members of the Board²

Dr Zsolt Barna, Chairman of the Board of Directors

He started his career at the State Money and Capital Market Supervisory Authority, from 1998 he was a Head of Department and from 2004 a Senior Manager of the HFSA. From 1998 to 1999, he was a member of the Board of Directors of BEVA. Since 2006 he has been the Executive Director of the Supervisory Board of the HFSA. From 2006 to 2010, he was a member and permanent invitee of the governing bodies of the European CESR, CEBS and professional committees. Between 2008 and 2009, he was a key player in crisis management in the banking sector. He has worked for the OTP Group since 2010, initially as a director, during which time he became the Chairman of the Board of Directors of CKB Bank in Montenegro, where he managed the reorganisation process. After several management positions within the OTP Group, between 8 June 2016 and 31 August 2018, he was the Chairman and Chief Executive of OTP Ingatlan Befektetési Alapkezelő Zrt., and, in addition, from September 2016 to 31 August 2018, he held the position of the Chairman of the Board of Directors of OTP Alapkezelő Zrt. Since 8 June 2016, he has been the Chairman of the Board of Directors of OTP Ingatlan Befektetési Alapkezelő Zrt. In 2017-2018, OTP Bank managed its first significant subsidiary integration in Croatia. From 10 September 2018, he was the Chairman of the Supervisory Board of OTP Ingatlan Zrt. On 1 September 2018, he was appointed Deputy CEO of OTP Bank. From 2019 to 20 July 2020, he was the Chairman of the Board of Directors of OTP Ingatlan Zrt. and a member of the Supervisory Board of the Croatian subsidiary of the OTP Group. From December 2019, he was the Chairman of the Board of Directors of the Slovenian subsidiary of the OTP

² as of 18 March 2024

Group. Until 20 July 2020, he held the position of Deputy CEO of OTP Bank Nyrt. Since 30 October 2020, he has been the Chairman of the Board of Directors of Magyar Bankholding Zrt. As of 1 January 2021, he has been the Chairman and Chief Executive of MKB Bank Nyrt. and Chairman of the Board of Directors and the Supervisory Board of the Group's subsidiaries (MBH Befektetési Alapkezelő Zrt., MBH Befektetési Bank Zrt., Euroleasing Zrt., Budapest Lízing Zrt., Euroleasing Ingatlan Zrt., Solus Capital Zrt.). He is the Chairman of the Board of Trustees of the MKB Bank Foundation for the Support and Development of the Arts, established by MKB Bank in 2022 in the spirit of social responsibility. Member of the Board of the Hungarian Banking Association since 19 May 2023. As of 1 January 2022, he was in charge the merger of Budapest Bank, MKB Bank and Takarékbank as Chairman and Chief Executive of Magyar Bankholding. As of May 2023, he is the Chairman and Chief Executive of the Company resulting from the triple merger.

Beginning date of board membership: 01.01.2021

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Marcell Tamás Takács, member of the Board of Directors

He graduated from Budapest Corvinus University. He has nearly a decade of experience in transactional consulting. Currently, he is the managing director of, among others, Blue Robin Management S.à r.l. Since July 2020 he has been a member of the Board of Directors of MKB Bank and since May 2023 a member of the Board of the Directors of the Company. He is a member of the Company's Remuneration Committee and the Chairman of the Risk Assumption and Management Committee. He is a member of the Board of Directors of Magyar Bankholding Zrt.

Beginning date of board membership: 30.07.2020

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Levente Szabó, an internal member of the Board of Directors, Deputy CEO

He obtained his professional qualifications in finance at the Budapest College of Finance and Accounting, then at the University of Pécs, Faculty of Economics, majoring in business administration. He started his professional career in 1997 at Creditanstalt Rt. and joined Takarékbank Zrt. in 1999, where he held several management positions before being appointed Deputy Chief Executive in 2010. He was Chief Executive of Takarékbank from August 2013 to January 2017. From April 2017 to October 2019, he held the position of Chief Executive of TakaréKereskedelmi Bank Zrt. As of July 2021, he leads the three merging banks (MKB Bank, Takarékbank, Budapest Bank) as Deputy Chief Executive of the business areas of Agricultural, Large Corporate, Mid-Cap, Factoring and Markets and of Custom Business Development. Deputy Chief Executive for Individual Business Servicing of MKB Bank from December 2021, member of the Board of Directors of MKB from April 2022 Member of the Board of Directors of Magyar Bankholding Zrt. from 1 January 2022 and Chairman and Chief Executive of MTB Magyar Takarékszövetkezeti Bank Zrt. until June 2023. the Chairman and Chief Executive of Takarékbank Zrt. from 1 January 2022, until the merger of Takarékbank Zrt. into MBH Bank Nyrt. As of May 2023, he is Deputy Chief Operating Officer for the Company's individual service. Member of the Boards of Directors of MBH Befektetési Bank Zrt., MBH Befektetési Alapkezelő Zrt., Euroleasing Zrt., Budapest Lízing Zrt. and Chairman of the Board of Directors of Euroleasing Ingatlan Zrt., TakaréK Fakház Zrt.

Start date of board membership: 04.04.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Andrea Mager, a member of the Board of Directors

She holds a degree in economics and international relations from the Budapest University of Economics. She started her professional career as a risk assessor in the risk management division of Postabank and Savings Bank Zrt., where she worked from 1998 to 2001. Between 2001 and 2007 she held the position of Senior Manager and then Deputy Director of the Financial Stability Department of the Magyar Nemzeti Bank. Between 2002 and 2004 she chaired the Board of Directors of the MNB's Private and Voluntary Pension Fund, between 2005 and 2006 she was country coordinator for the IMF's Financial Soundness Indicator programme, and between 2004 and 2007 she was a member of the working groups of the European Centre for Banking Supervision Committee representing the MNB. Between 2007 and 2010 she was a member of the Competition Council of the Hungarian Competition Authority, between 2010 and 2011 she was Executive Director of Magyar Közlöny Lap és Könyvkiadó Kft., and between 2011 and 2016 she was a member of the Monetary Council of the Magyar Nemzeti Bank. Between 2016 and 2018 she was the Government Commissioner for Postal Affairs and National Financial Services of the Prime Minister's Office, and from 2018 she exercised the ownership rights and obligations of certain state-owned companies, including Szerencsejáték Zrt., as Minister without Portfolio responsible for the management of national assets. Chairman and Chief Executive of Szerencsejáték Zrt. from 15 June 2022. Since September 2022 she has been a member of the Board of Directors of MKB Bank and since May 2023 a member of the Board of the Directors of the Company. She is a member of the Company's Risk Assumption and Management Committee. She is a member of the Board of Directors of Magyar Bankholding Zrt.

Start date of board membership: 01.09.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Ádám Egerszegi, internal member of the Board of Directors, Deputy CEO

He graduated in Economics from the College of Finance and Accounting in 1997 and obtained his Master's degree in 2023 in the MBA programme at the Faculty of Economics of the University of Pécs. He started his career in 1998 in the department for German customers of Takarékbank, from 2003 as head of the network department, and from 2005 to 2014 as Director of the bank's savings cooperative business. From February 2014 to March 2015 he was Deputy Chief Executive of Polgári Bank Zrt., then Executive Director and member of the Board of Directors of Duna Takarékbank Zrt. In 2017, he led the merger of Takarékbank and MTB Magyar Takarékszövetkezeti Bank as Deputy Chief Executive and Vice Chairman, respectively. From December 2020, he was Deputy Chief Executive for Transformation of Magyar Bankholding and operational manager of the transformation and merger of MBH member banks. From 10 December 2021, he has been Deputy Chief Executive of MKB Bank Nyrt, responsible for Transformation, and from May 2022, also for Operations. Since April 2022 he has been member of the Board of Directors of MKB Bank Nyrt. Deputy Chief Executive for Transformation and Operations from May 2023 and Deputy Chief Executive for Digitisation and Operations from December 2023. He is a member of the Board of Directors of MITRA Informatika Szolgáltató Zrt and a member of the Supervisory Board and Audit Committee of MBH Investment Bank.

Start date of board membership: 04.04.2022

Shares held in MBH Bank Nyrt. as of 31.12 2023: 0. pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

dr. Balázs Vinnai, member of the Board of Directors

In 1997 he founded his first company, Interactive Net Design (IND), a company specialising in digital banking products and web applications. In 2014, he was appointed Head of Digital Channels at IND Group, following its acquisition by UK financial software company Misys in March that year. In 2017, Misys and DH Corporation merged to form Finastra, where he became Global Vice Chairman and Head of the Digital Division. In 2015, together with friends and former business partners, he launched BnL Growth Partners Kft, a private equity and smart money advisory firm in the fintech sector. Co-founder and investor in the Codecool network of programming schools in Central and Eastern Europe. Since 2018, he has been an investor and Chairman of W.UP, a financial software and digital banking sales company. Since 2020, he has also served as President of IVSZ - Association for the Digital Economy. From July 2021, he oversaw and supported the technological transformation of Magyar Bankholding as Chief Advisor to the Chairman. Since April 2022 he has been member of the Board of Directors of MKB Bank. He is a member of the Remuneration Committee of the Company. As of May 2023, he has been the Chief Advisor to the Chairman of the Company, a member of the Executive Board.

Start date of board membership: 05.04.2022

Shares held in MBH Bank Nyrt. as of 31.12 2023: 0. pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

István Sárvány, a member of the Board of Directors

He graduated from Szent István University in 2000 and gained extensive experience in a family business until 2012. Between 2013 and 2014 he was Senior Advisor to the Government Commission for the Renovation of the Buda Castle District, the Eszterházy Castle in Fertőd and the Curia, from 2014 he worked for the Prime Minister's Office and from 2016 he was CEO of V-Híd Zrt. He has been a member of the Board of Directors of MKB Bank since April 2022 and a member of the Board of Directors of the Company since May 2023. He is the chairman of the Remuneration Committee of the Company and Risk Assumption and Management Committee of the Bank.

Start date of board membership: 04.04.2022

Shares held in MBH Bank Nyrt. as of 31.12 2023: 0. pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Rules of procedure for the Board of Directors

The Board of Directors defines its own procedures, has its meetings according to its accepted annual work plan. The procedures contains the structure of the Board, the rules for obligations and responsibilities of board members, the rights and authorisation of the board, the rules for preparing, calling and holding the meeting, and furthermore it contains the rules for decision making within the frames of the meeting and aside of it in writing, and the rules on minutes of making resolutions, and its documentation.

The Board of Directors had 5 meeting in 2023, and in further 84 occasions it made resolutions in writing.

Among others the Board of Directors has on its agenda the assembling of the General Meeting, approving the documents to be proposed on the annual general meeting, accepting the financial statements according the accounting law and proposal for use of after tax profit, reports on management, quarterly reports on the Company's financial situation and business policies for the Supervisory Board. The board approved the Company's risk taking strategy. The Board of Directors furthermore discussed the proposals and report for the Supervisory Board, approved the rules in its discretion, acknowledged the regular and ad hoc reports prepared for it. It also made risk taking decisions in its authority according to the internal rules for risk taking competencies.

B) Supervisory Board

The Supervisory Board supervises the Company's executive management in order to protect the Company's interests. As part of this task, the Supervisory Board may request reports or information from members of the Board of Directors and the Company's managers. The Supervisory Board consists of at least 3 and not more than 9 natural persons. The members of the Supervisory Board are elected by the General Meeting for a definite period of maximum 5 years.

The Company consider those members independent who comply with Section 3:287 of Act V of 2013 on the Civil Code (Civil Code).

Number of independent members is 6 which represents majority in the supervisory board. The Company does not consider the members representing the employees independent.

Members of the Supervisory Board³

Independent members:

dr. Andor Nagy, chairman of the Supervisory Board

He graduated from the Faculty of Law and Political Sciences of the ELTE in 1987. He passed the bar exam in 1997 and studied at Harvard Business School in Boston in 2004. From 1995 until the 1998 parliamentary elections, he served as party president, then as chief of cabinet to the prime minister, and later as political state secretary in the prime minister's office. Since 2004 he has been a Member of Parliament in the Szécsény constituency. Until 20 February 2005, he was the Clerk of Parliament. In the 2006 parliamentary elections he won an individual mandate in the 3rd constituency of the county of Nógrád. In the 2010 parliamentary elections he also won an individual mandate in the 3rd constituency of the county of Nógrád. On 26 August 2013, he resigned his parliamentary mandate, after which he was appointed Ambassador of Hungary to the State of Israel. His mandate in Tel Aviv lasted from 2013 to 2018. Since summer 2018, he has been Head of the Embassy of Hungary in Vienna. Since September 2023, he has been a government relations advisor at Dentons Budapest law firm. He has been the chair of the Supervisory Board of MKB Bank since April 2022. He is a member of the Nomination Committee of the Company. He is the chair of the Supervisory Board of Magyar Bankholding Zrt. As of May 2023, Chairman of the Supervisory Board of the Company resulting from the triple merger.

Beginning date of supervisory board membership: 04.04.2022

³ as of 18 March 2024

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Dr. Géza Károly Láng, a member of the Supervisory Board

He obtained his law degree from Pázmány Péter Catholic University in 2002, and after passing the bar exam and qualifying as an insurance lawyer, he qualified as a competition lawyer in 2012. He has spent 16 years in the insurance sector in various positions, since 2019 he has been Deputy State Secretary for National Financial Services and Postal Affairs at the Prime Minister's Office, and since 2023 he has been Deputy State Secretary for State Property and Postal Affairs at the Ministry of National Economy. Between April and August 2022, he has been a member of the Board of Directors of MKB Bank Nyrt. and Magyar Bankholding Zrt. Since September 2022 he has been a member of the Supervisory Board of MKB Bank. He is a member of the Supervisory Board of Magyar Bankholding Zrt. Member of the Supervisory Board of the Company from May 2023. Chairman of the Supervisory Board, Chairman of the Nomination Committee and member of the Audit Committee of MBH Jelzálogbank Nyrt.

Beginning date of supervisory board membership: 01.09.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Zsigmond Járai, a member of the Supervisory Board

Zsigmond Járai is a qualified economist with decades of experience in finance. He started his career in 1976 at the State Development Bank. He has been a lecturer on investment in the electricity industry, a financial auditor, a senior lecturer in the Economics Department and head of the Economics and Securities Department. During his professional career he has worked in London and Budapest for several investment and commercial banks. He is a former founder of the Budapest Stock Exchange and has held senior positions in a number of key areas in the public sector and in the money, insurance and capital markets, including, without limitation, Deputy CEO of Budapest Bank, Deputy Minister of Finance and Chairman of the Banking Supervisory Authority. He has worked as an investment banker in London, as CEO of Magyar Hitelbank, and as Chairman of the Budapest Stock Exchange from 1996 to 1998. He was Minister of Finance of Hungary from 1998 to 2000, Governor of the National Bank of Hungary from 2001 to 2007, and Chairman of the Supervisory Board of CIG Pannónia Életbiztosító Zrt. from 2007 to 2013. State awards: Grand Cross of the Order of Merit of Hungary (2016), Honorary Knight Grand Cross of the Order of the British Empire He has been a member of the Supervisory Board of MKB Bank since April 2022. Chairman of the Nomination Committee of the Company. He is a member of the Supervisory Board of Magyar Bankholding Zrt. Member of the Supervisory Board of the Company from May 2023.

Beginning date of supervisory board membership: 04.04.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Miklós Vaszily, member of the Supervisory Board and the Audit Committee

He graduated from the Budapest University of Economic Sciences in 1996 and from the Faculty of Law and Political Sciences of ELTE in 1997. He started his career as an equity analyst. From 2001 he was CEO of Net Média Zrt., the publisher of Portfolio.hu, and in 2005 he became CEO of Index.hu Zrt. In 2007, he

was appointed Deputy CEO and member of the Board of Directors of the owner Közép-Európa Média Zrt. From February 2010 to November 2014 he was CEO of Origo Zrt. Since August 2015 he was Chief Executive of MTVA, and from October 2018 until 31 March 2019, when the channel was merged into Hír TV, he was Chief Executive of Echo TV. In 2019, Miklós Vaszily became president of TV2. He has been a member of the Supervisory Board and the Audit Committee of MKB Bank since April 2022. He is a member of the Nomination Committee of the Company. Member of the Supervisory Board and Audit Committee of the Company from May 2023.

Beginning date of supervisory board membership: 04.04.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Dr. Péter Magyar, member of the Supervisory Board

He graduated from the Faculty of Law and Political Sciences of Pázmány Péter Catholic University in 2004. Between 2004 and 2006 he worked as a court clerk at the Budapest Capital Court, and after passing the bar exam he worked as a trainee lawyer and associate lawyer in Hungarian and international law firms until 2010. Between 2010 and 2018, he was an EU diplomat at the Permanent Representation of Hungary to the European Union, Ministry of Foreign Affairs and Prime Minister's Office. Between 2018 and 2019 he headed the EU Legal Directorate of the Hungarian Development Bank. Between 2019 and 2022, he was the CEO and a member of the Board of Directors of Diákhitel Központ Zrt. From 2020, he has been assisting the investment committees of Hiventures Zrt. From 2022 he is the Legal Director and Investment Advisor of Hodler Alapkezelő Zrt. He has been a member of the Supervisory Board and Audit Committee of MKB Bank since September 2022. Member of the Supervisory Board and Audit Committee of the Company from May 2023.

Dr. Péter Magyar resigned from his position as a member of the Supervisory Board and the Audit Committee with effect from 10 February 2024.

Beginning date of supervisory board membership: 01.09.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Rita Fodor, member of the Supervisory Board and Chairman of the Audit Committee

She has been working in the business sector in the fields of taxation and accounting for more than 30 years. She has been a member of the Supervisory Board and the Audit Committee of MKB Bank between September 2018 and April 2022, a member of the Risk and NPL Committee, Nominating Committee and Remuneration Committee of the Company between January 2019 and April 2022, and has been the chairperson of the latter committee since April 2019. Since September 2022 she has been a member of the Supervisory Board and chair of the Audit Committee of MKB Bank. He is a member of the Supervisory Board of Magyar Bankholding Zrt. Member of the Supervisory Board and Chairman of the Audit Committee as of May 2023.

Beginning date of supervisory board membership: 01.09.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Employee representatives:

Kitti Dobi, employee representative member of the Supervisory Board

He graduated from the Faculty of Corporate Finance of the Budapest University of Economics with excellent grades. She started her career in 2003 as a regional manager responsible for various HR processes at Procter & Gamble. Her experience in international HR management has been expanded through training in human resources and management in Geneva and Cincinnati. From 2008 to 2010, she managed the establishment of Vodafone's International Operations Centre, and then continued as Head of HR Processes. She is an OPP international MBTI coach qualified in Oxford. She continued her work as a lecturer and HR management module leader at the International Business School. As HR Director of the European and African Service Centres of BP global service organisation (a subsidiary of British Petrol), between 2010 and 2014, she led the establishment of the company's international HR service units in Europe and Asia. From 2014 to 2016, she worked as East European Head of HR Service Management, Account Management of Alexander Mann Solutions and also worked in Client Management. Since 2016, he has been the Managing Director of Human Resources at MKB Bank Nyrt. and MKB Financial Group, and from 9 December 2021 he has been the Deputy CEO of Magyar Bankholding Zrt. for Human Resources. During this time, he applied for and completed the Senior HR Executive Training at Harvard Business School and then qualified in HR Executive Education at the Michigan Ross School of Business. Since May 2023, he has been Deputy Chief Executive of Human Resources and a member of the Supervisory Board of the Company.

Beginning date of supervisory board membership: 26.07.2021

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Balázs Bechtold, employee representative member of the Supervisory Board

Graduated in Mechanical Engineering, he has been working at MKB Bank since January 2006, first in the Contact Center, then in 2007 in the Banking Security, Information Security area. Team leader since 2010 and expert on secondment to the Bank's priority projects. Since November 2014, he has been a member of the Bank's Works Council and Chairman of the Sport and Health Committee, and since February 2020, Chairman of the Works Council. He has been the employee representative member of the Supervisory Board of MKB Bank since July 2021. Member of the Supervisory Board of the Company from May 2023.

Beginning date of supervisory board membership: 26.07.2021

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Dr. Ilona Török, employee representative member of the Supervisory Board

Dr. Ilona Török has more than 20 years of banking experience. She started his career at the Hungarian Financial Supervisory Authority, where she gained legal and financial experience in several areas, before becoming Head of the Licensing and Enforcement Directorate. Between 2010 and 2021, she held various positions at OTP Bank in capital markets and treasury, then became Head of Corporate Governance, and was a member of the management board of several domestic and foreign subsidiaries of the OTP Group. From March 2021, she headed the Office of the Chairman and Chief Executive of MKB Bank. From November 2021 she held the same position at Magyar Bankholding and its member banks. Since

September 2022 she has been a member of the Supervisory Board of MKB Bank Nyrt. And from November 2022, she has been a member of the Board of Directors of TakarékJelzálogbank Nyrt, and then of MBH Jelzálogbank Nyrt. As of May 2023, as Head of the Chairman and Chief Executive's Office, she coordinates the Company's prudential compliance and manages core areas such as law and governance, compliance and anti-money laundering, internal audit, banking security, marketing, events and protocol, international and banking relations, acquisitions and credit institution group management. She joined the Board of Directors of MBH Befektetési Bank in June 2023.

Beginning date of supervisory board membership: 02.09.2022

Shares held in MBH Bank Nyrt. as of 31.12.2023: 0 pcs. / Shares held directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

Rules of procedure for the Supervisory Board

The procedures for the Supervisory Board are approved by the Supervisory Board. The procedures of the Supervisory Board contains the structure of the Board, the rules for obligations and responsibilities of board members, the rights and authorisation of the board, the rules for preparing, calling and holding the meeting, and furthermore it contains the rules for making resolutions within the frames of the meeting and aside of it in writing, and the rules on minutes of making resolutions, and its documentation. The Supervisory Board convenes as often as required for the effective performance of its duties. The employee delegates have the same rights and obligations as other members of the Supervisory Board. The Supervisory Board shall adopt its resolutions by the support of the majority of the attendees.

The Supervisory Board had 6 meeting in 2023, and in further 27 occasions it made resolutions in writing.

Among others the Supervisory Board has on its agenda the making resolutions on assembling of the General Meeting, approving the documents to be proposed on the annual general meeting, accepting the financial statements according the accounting law and proposal for use of after tax profit, approving the financial plan, reports on management, quarterly reports on the Company's financial situation and business policies. The board approved the Company's Remuneration Policy. The Supervisory Board furthermore discussed the proposals and report for the General Meeting, acknowledged the regular and ad hoc reports prepared for it, the compliance, the anti-money-laundering and the safe guard officer's reports, the internal audit and quarterly risk reports.

C) Audit Committee

The Audit Committee provide assistance to the Supervisory Board in supervising the financial report regime, in selecting an auditor, and in working with the auditor. The Audit Committee shall have 3 members. The members of the Audit Committee shall be elected by the General Meeting from among the independent members of the Supervisory Board. At least one member of the Audit Committee shall have accounting or auditor qualification.

Members of the Audit Committee⁴ (professional CVs are available in section 'B')

Rita Feodor (chair)
Dr. Péter Magyar (resigned on 10 February 2024)
Miklós Vaszily

Procedures for the Audit Committee

The Company operates an Audit Committee of three members. The members of the Audit Committee shall be elected by the General Meeting from among the independent members of the Supervisory Board. At least one member of the Audit Committee shall have accounting or auditor qualification. The procedures for the Audit Committee are approved by the Supervisory Board. The Audit Committee convenes as often as required for the effective performance of its duties, the meetings are held according to the work plan approved by the Supervisory Board. The by-laws of the Audit Committee contains the structure of the Committee, the rules for obligations and responsibilities of committee members, the rights and authorisation of the committee, the rules for preparing, calling and holding the meeting, and furthermore it contains the rules for making resolutions within the frames of the meeting and aside of it in writing, and the rules on minutes of making resolutions, and its documentation.

The Audit Committee had 4 meeting in 2023, and in further 12 occasions it made resolutions in writing. Among others the Audit Committee had on its agenda the proposals for choosing, appointing and remuneration of the statutory auditor, and the approval of choosing the auditor in charge, the conditions of the mandate agreement with the auditor and approving the mandate agreement. The Committee discussed the auditor's report on the supplementary audit report, the audit method, the auditor's findings, the scope and timing of the audit, the ongoing audit assignments, the status of the audit and the risks identified, the cooperation with the auditor, compliance with professional requirements, conflicts of interest and the auditor's independence, as well as the services provided by the auditor to the Company other than the audit of the accounts under the Accounting Act on a quarterly basis. The Audit committee also made resolutions in authorized matters regarding the agreement contracts with the statutory auditor and companies having the same or partly the same owner as the auditor providing services to the Company.

D) Remuneration of the Members of the Board, Members of the Supervisory Board, and Members of the Audit Committee

The establishment of the remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee falls within the competence of the general meeting. Members of the board of directors, supervisory board members and members of the audit committee are entitled for a fix monthly remuneration.

E) Committees with the membership of external Board members and independent Supervisory Board members according to Hpt.**Nomination Committee**

The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory

Board representing the employees, defining the skills and responsibilities required for membership of the governing body, and evaluating the composition and performance of the governing body and its members. Decision on the target for the representation of genders in the executive board and elaboration of a strategy required to meet that target, He is also responsible for the regular review of the Company's policy on the selection and appointment of the Managing Director.

Remuneration Committee

The Remuneration Committee is responsible for preparing decisions on remuneration, taking into account the long-term interests of shareholders, investors and stakeholders in the company. In this context, the Committee prepares the performance evaluation and ex-post risk assessment of the Chairman and Chief Executive, the Deputy Chief Executive and other members of the Board of Directors, and assesses the achievement of performance targets. The Committee ensures the implementation of the remuneration policy. Oversees the remuneration of the manager responsible for risk management and compliance, including employees with internal control functions.

Risk Assumption and Management Committee of the Bank

As part of its ongoing monitoring of the Company's risk-taking strategy and risk appetite, the Risk and NPL Committee reviews the risk strategy, remuneration policy and quarterly risk report. He supports the Board of Directors in overseeing the implementation of the risk strategy.

The Committees operate in accordance with the rules laid down in their rules of procedure. Bodies shall meet as often as necessary to carry out their functions and shall take their decisions in the form of a meeting or in writing and without a meeting. The work of the bodies is organized by the chairman of the body.

F) Standing Committees as defined in the Company's Rules of Procedure and Standing Committees' Rules of Procedure

The Company performs strategic decision making, prudential control and group governance functions over the MBH Group. A key element of the merger is the creation of a single organisational governance structure in the MBH Group. In line with this, a single committee structure has been established in the MBH Group.

Management Committee (MC)

The MC is the operational decision making and decision preparing body for the full range of the Company's operations. The MC decides on general and strategic issues submitted to it, on matters of a business nature concerning the operation of the MBH Group, the organisation of the company, the management, administration and development of human resources. Without prejudice to the powers of corporate bodies, the MC may adopt decisions or appoint decision makers in matters not expressly assigned to any corporate body, committee or individual by internal regulations. The MC regularly reviews and discusses current issues affecting the operation of the MBH Entire Group and prescribes measures where necessary.

Credit and Debt Management Committee (CDMC)

It takes decisions on credit and counterparty risk proposals for which it is responsible in accordance with the relevant regulations, and gives its opinion on credit and counterparty risk proposals for which the Board of Directors is responsible, in accordance with the provisions of the risk-taking decision making powers. The CDMC also acts as a debt management committee, responsible for overseeing and managing the sale of receivables and its process, implementing the NPL strategy in practice, taking the necessary measures, supervising the management of non-performing exposures and taking the risk-taking decisions that fall within its decision-making powers under the provisions of the risk-taking decision powers rules.

Asset and Liability Committee (ALCO)

The ALCO has primary responsibility for asset and liability management, and exercises competencies in liquidity and market risk management, capital management. It develops the principles, measurement methodology and related limit system for managing liquidity risk, interest rate risk, foreign currency risk (foreign currency and securities) and capital adequacy risk, monitors the utilisation of limits, and determines the necessary measures in case of overruns. It sets internal clearing prices and risk price levels under its pricing powers. It approves securities issuance programmes and individual issues.

Group Banking Operations Committee (GBOC)

GBOC is responsible for the holding and group member level banking operations, with a focus on profitability, cost, investment and resource management. It exercises financial control over the portfolio and the profitability of specific group members and subsidiaries. It sets and monitors product profitability expectations, targets and changes in market position, decides on budget utilisation, investments and commitments within defined limits.

Internal Defence Lines Committee

The Internal Defence Lines Committee is primarily a consultative forum between the lines of defence. It is responsible for integrating, regulating and systemising communication between the individual lines of defence, strengthening communication channels and, where appropriate, building them, and through its preventive and proactive activities, it identifies and effectively manages and manages in a timely manner the risks for the MBH Group that may lead to non-compliance with the law, external investigations by the authorities or decisions of the authorities supervising banking operations, and ensures that any necessary corrective action is taken immediately.

Transformation and Operations Committee (TOC)

The purpose of operation of the Transformation and Operations Committee was to set the strategic direction of the merger, approve the detailed strategy and take operational decisions on the merger process, including the operating model, technology, transformation, corporate culture, merger communication, etc. It monitored the progress of the merger process and milestone plan, deciding on intervention if necessary. Following the successful completion of the merger, the Committee was dissolved.

Methodology Committee (MC)

It controls the implementation of the group-wide risk strategy and risk strategy limit system. It approves all methodological, modelling, limit setting and monitoring, supervisory, regulatory and reporting submissions related to Pillar 1 credit risk, concentration risk and country risk, counterparty risk, operational risk and Pillar 2 risks, and the ICAAP-SREP methodology and the exercise of supervision/control, the Recovery Plan/resolution framework. Its responsibilities include the discussion of the NPL strategy, related methodological, modelling, internal portfolio setting and monitoring, supervisory, regulatory and reporting proposals, including individual and portfolio-level decisions on impairment and provisioning.

Product Sales and Pricing Committee (PSPC)

It is the forum for making management decisions on product development, pricing and sales at individual and group bank level. It develops the features and processes for existing products and new products to be introduced. It decides on the pricing of products, taking into account the profitability of the product; takes decisions on pricing issues within the framework of the rules set by the Asset and Liability Committee.

G) Chief Executive Officer and deputy CEOs

Dr Zsolt Barna chairman-CEO (his CV is presented in section 'A')

Ildikó Ginzer, Deputy Chief Business Officer for Standard Services

She graduated from Corvinus University of Budapest, where she obtained a Master's degree in Economics in 2005 with a specialisation of the teacher of Corporate Finance and Economics. She started her professional career in the banking sector, working at Raiffeisen Bank from 2004 to 2016 as a business risk manager in structured and project finance, and later as a risk manager in corporate intensive management, where she was involved in the development of the strategy and processes of the areas. She gained international experience as a strategy and business development specialist at Borealis AG, where she was responsible for several acquisition projects in the petrochemicals sector during 2016. At the end of 2016, she joined the Company's predecessor, MKB Bank, as Deputy Chief Risk Officer, responsible for the bank's retail and corporate risk management and receivables management. From 2019, she was Deputy CEO of MKB Bank for retail, corporate, treasury and leasing, and from May 2023, she has been Deputy CEO of the Company for standard services. She is a member of the Supervisory Board of CIG Pannónia Nyrt., the Board of Directors of MBH Befektetési Bank, MBH Jelzálogbank and Euroleasing and Chair person of the Supervisory Board of MBH Alapkezelő.

Kitti Dobi, Deputy CEO for Human Resources (her CV is presented in section "B")

Ádám Egerszegi, Deputy CEO for Digitalisation and Operation (his CV is presented in section 'A')

Krizsanovich Péter, Chief Financial Officer and Deputy CEO for Strategy

He graduated from Budapest Corvinus University in 2003. He was a consultant at the management consultancy IFUA Horváth & Partners. From 2005, he held senior positions at OTP Bank for 17 years, including Executive Director of Strategy, Planning and Controlling. Involved in regional expansion, he has international experience, having served on the boards of directors of several leading foreign banks, including OTP Bank in Serbia and CKB Bank in Montenegro. Between 2017 and 2022 he was a member of the Board of Directors of OTP Ingatlan Befektetési Alapkezelő Zrt. From September 2022 he worked as Chief Advisor to the Chairman and Chief Executive of Magyar Bankholding in finance, risk management and strategy, from 1 January 2023 he was appointed Chief Financial Officer, and from February 2023 Deputy Chief Financial Officer. Deputy Chief Financial Officer of the Company from May 2023 and Deputy Chief Strategy and Finance Officer from December 2023. He is a member of the Supervisory Boards of MBH Befektetési Bank, MBH Jelzálogbank and Euroleasing, and Chairman of the Supervisory Board of MITRA IT Services.

Levente Szabó, Deputy Chief Business Officer for Individually Tailored Service(his CV is presented in section 'A')

Dr Beatrix Mészáros, Deputy CEO for Subsidiaries

She started her studies at the Budapest School of Economics, Faculty of Foreign Trade, and graduated in 2009 with a degree in Export-Import Management. She holds a Master's degree in Communication from

the Università Cattolica di Sacro Cuore in Italy. In January 2019, she graduated from the Faculty of Law and Political Sciences of the University of Debrecen. She started her professional career in telecommunications and media. She started her management career in the agricultural sector, from 2012 she was responsible for the full management of agricultural and production companies, she was the Managing Director of Búzakalász 66 Kft. and later Chairman of the Board of Aranykorona Zrt. From 2016 to 2022, she is a member of the Board of Directors of Talentis Group Zrt. In addition to agribusiness and tourism, she holds executive officer positions in several dynamic companies in the energy sector and the construction industry. Deputy Chief Executive responsible for Subsidiaries from 9 February 2022 to 1 November 2023.

Shares held by the deputy CEOs of the Company in MBH Bank Nyrt. as of 31.12.2023: 0. pcs. / Shares held by them directly in MBH Bank Nyrt. as of 31.12.2023: 0 pcs.

1.2 Internal control systems and risk management

A. Main features of the internal control system of the Company

The operation of internal control system is ensured within the company group according to governing laws and recommendations. Executive management and internal controls are the basics of internal protecting lines which ensures prudent operations, compliance with laws and internal rules, and maintains trust towards the Company.

The internal controlling functions are independent from each other and also from the organizational units controlled or supervised by them.

The provisions regarding the operation, management and functions of the internal control system of the Company are set out in Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: 'Hpt. '), the provisions of the Civil Code (Act V of 2013, hereinafter: 'Civil Code') on business companies, Act CXX of 2001 on the Capital Markets, the applicable recommendations of the National Bank of Hungary (hereinafter: 'MNB') (primarily Recommendation MNB 12/2022 (11 July) on the establishment and operation of internal lines of defence, the management and control functions of financial organisations), the Company's Memorandum of Association and the Company's effective Organisational and Operational Rules.

Section 154 (1) of the Hpt. requires banks to operate an internal control system. The elements of the internal control system include the management information system, in-process and management controls, and the independent internal audit organisation.

The concept of a *management information system* encompasses all IT-based or manual systems that transform data into useful information for decision-makers. Its main tasks are to produce ad hoc and regular reports and to support (in general) decision making.

In-process and management controls are forms of control directly or indirectly integrated into business processes. These controls are performed by persons who are functionally involved in the processes or by those responsible for the final outcome of the audited activities.

Independent internal audit is part of the internal control (monitoring) system independent of the process. Internal audits should be performed by persons who are not involved in the Company's workflows and are therefore independent of the entities and workflows being audited. Accordingly, the Company operates an independent organisational unit, called Internal Audit (hereinafter: IA). The IA operates

under the control of the Supervisory Board and the CEO. Operations of IA include helping comply with legal requirements for the Company, controlling compliance with internal rules, and monitoring bank activity in regard of transparency and sufficiency through overall and specific audits. The aim of BEI is to protect the Bank's assets and the interests of the clients and the shareholders.

Also in view of MNB recommendation 12/2022 (11 July) referred to above, the system of lines of defence is interpreted in the Company's monitoring framework system. The above control mechanisms, which are also stressed in the Hpt. as the elements of the Company's internal monitoring system (distinguished from the external monitoring independent of the Company (e.g. customers, MNB, other authorities) and the external monitoring system elements (e.g. auditor) related to the Bank) can be classified as follows:

The Company's internal monitoring system consists of an internal control system and independent internal audit.

Within the Company's internal control system, we can distinguish between general principles (e.g. consistent responsibility management), practices (e.g. management control), organisational solutions (e.g. inprocess controls), and areas with a control function (e.g. Controlling) and activities (e.g. management information system), the Bank's employees in contact with customers and suppliers, the Back Office, which together form the first line of defence of the Company's internal monitoring system. In fact, this line of defence includes all employees and managers who, through their prudent work, protect the Bank's interests and values.

Another element of the Company's internal control system are all those organisations, activities and persons responsible for performing dedicated operational functions, activities and control functions, such as Risk Control, Compliance (including the Safeguarding Officer and AML officer) which together constitute the Bank's second line of defence. The function of the second line of defence can also be formulated by overseeing and supporting the activities of the first line of defence.

Independent internal audit, as another element of the internal monitoring system alongside the internal control system, is the Company's third line of defence. Internal audit is an independent, objective assurance tool and consulting activity that adds value to the Company's operations and improves its quality. It is responsible for examining the Company's risk management, governance processes and the internal control system (or the Company's first and second lines of defence) in a systematic and regulatory manner, evaluating and improving its operation, thereby contributing to the achievement of organisational goals.

B. Brief description of the Company's risk management system and principles applied in risk management

The Company's Risk Control reviews the risk strategy of the MBH Group every year with the involvement of the relevant areas. In line with the current economic environment and in accordance with the Company's business strategy and capital plan, the Risk Strategy sets out the risk strategy principles and objectives of the Bank Group for each risk type and risk appetite. The approval of the risk strategy falls within the scope of competence of the Board of Directors.

In line with the basic regulatory requirements, a concept for the Group's comprehensive risk-taking processes has been developed and is constantly being fine-tuned.

The main elements of the concept are:

- Group-wide application of risk management principles;

- Applying the Unified Segmentation to the entire clientele of the group;
- A decision-making system that depends on customer quality and risk-taking;
- the use of Basel conform rating tools, in compliance with internal rating based method (IRB = Internal Ratings-Based) and analytical and behavioural scorecards, as well as a corresponding client rating regime, which adequately supports the decision-making activities of the bank management;
- internal, group-level model validation methodology with annual frequency (rating and scoring tools, validation of related processes);
- Monitoring activities with IT support;
- Establishment of a comprehensive system of criteria that includes and takes into account relevant indicators enabling the detection of threatened loans in order to identify loans at risk as quickly as possible and, based on this, to determine the various types of customer/exposure management, the related tasks and order of procedure.
- IFRS 9 provisioning system;
- Pillar 1 and Pillar 2 capital accounting systems based on IFRS;
- Regular group level management reports, backtesting measurements (Risk Reports, Capital Management Reports, Rating Quality, Rating Monitoring Reports, etc.)
- Definition of a revised recovery plan and its evaluation on a monthly basis.

The key risk management principles include ultimate control at board level, independent control separate from risk areas, and appropriate measurement, diversification, monitoring and reporting of risks.

The effective risk management function of the Bank is ensured by the effective communication of risks and the willingness to assume risks within the organisation, continuous development for recognising, measuring, monitoring and managing risks, turning the key risk management processes and procedures up-to-date and user friendly and improving their efficiency, as well as employing adequately trained work force.

1.3 Auditor

Name and address of the Statutory auditor of the Company:

PricewaterhouseCoopers Könyvvizsgáló Kft. (registered office: 1055 Budapest, Bajcsy-Zsilinszky út 78., Registration number at the Hungarian Chamber of Auditors: 001464

Person in charge of the audit:

Árpád Balázs registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007272, registration number: 006931) and if he is impeded in his duties, his deputy is Balázs Mészáros (membership certificate number of the Chamber of Hungarian Auditors: 005614, registration number: 005589) is impeded in his duties.

The General Meeting of the Company shall elect the Statutory auditor.

The Company's statutory auditor was PricewaterhouseCoopers Könyvvizsgáló Kft. in 2023, the auditor did not have any kind of activity which could jeopardize its independence.

The Audit Committee decides on all assignments for the auditor including statutory assignment, as defined in its Rules of Procedure. The Audit Committee receives a quarterly report on the independency if the auditor, and on the mandate agreements signed with them.

1.4 Publications and handling insider trading

In order to prevent insider trading, unauthorised disclosure of inside information and to comply with disclosure guidelines, the Company strictly following the provisions of the following regulations:

- REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
- COMMISSION DELEGATED REGULATION (EU) 2016/522 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions;
- COMMISSION IMPLEMENTING REGULATION (EU) 2016/523 laying down implementing technical standards with regard to the format and template for notification and public disclosure of managers' transactions in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council;
- COMMISSION IMPLEMENTING REGULATION (EU) 2022/1210 laying down implementing technical standards for the application of Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to the format of insider lists and their updates (MAR RTS);
- COMMISSION Implementing Regulation (EU) 2016/1055 (29 June 2016) laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council;
- Act CXX of 2001 on the Capital Market (Capital Market Act)
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (Investment Services Act);
- Act C of 2012 on the Criminal Code (Criminal Code).

the Decree of the Minister of Finance (PM) 24/2008 (15 August), the MNB Recommendations and Management Circulars on these topics and the respective Regulation of BÉT.

The referred rules ensure that all information effecting the Company, or which may have substantial effect on the share price of the Company are published correctly, in its full content and on time. Furthermore, the Company has internal rules in force to ensure execution of its publication obligations.

The Board of Directors of the Company assessed the Company's publishing processes in accordance with Section 1.6.2.3. of the Corporate Governance Recommendations of BÉT and found that between 31 January 2023 and 31 December 2023, the Company's publication processes complied with the legal requirements, the internal rules and its publishing policies. Based on the result of this assessment it can be stated that the Company followed efficient publishing practices.

The Company has detailed risk management rules covering all types of risks (liquidity, market, country, partner, credit, operational, compliance) which correspond with legal requirements for prudent financial institutional operations. Information on the Company's risk management procedures, the applied limits and their keeping can be found in the Annual Report.

The Company has detailed internal rules covering all insider and potentially insider persons, which totally comply with the detailed regulated limits and prohibitions set forth in the MAR, its implementing regulations and the effective Tpt. Transactions for MKB shares executed by the members of the Board of Directors and the Supervisory Board are published according to publications rules, and the number of shares owned by persons in managerial responsibilities are published in the Annual Report.

1.5 Rules to exercise rights by shareholders

A) Attending and voting rights at General Meetings

The Company requests shareholder identification as at the date of the General Meeting as a corporate event, from KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (hereinafter: 'KELER Zrt.'). The Rules related to the shareholder identification are included in the effective regulation of KELER Zrt.

On the last but one working day before the General Meeting's starting day the Company deletes all data (that are effective at the time of shareholder identification) contained in the share register and at the same time it enters the data resulting from shareholder identification in the share register and closes the register with the data produced by shareholder identification. Thereafter, an entry in the Register of Shares concerning the shareholder's share ownership may be made on the business day following the General Meeting the soonest.

The closing of the Register of Shares does not restrain the person registered in the Register of Shares from transferring their shares. Transferring his/her shares prior to the General Meeting does not exclude the right of a shareholder registered in the Register of Shares to participate the General Meeting and execute his/her shareholders rights.

The shareholder may also exercise his/her rights at the General Meeting by way of proxy (hereinafter: 'proxy'). Members or the chairman of the Board of Directors, the Supervisory Board or the auditor may not act as shareholder's proxy. Shareholders may authorise an executive employee of the Company as well to exercise their rights relating to the Shareholders' Meeting. The proxy authorisation shall be valid for one Shareholders' Meeting or for the period of time defined therein, but in any case not more than 12 months. The validity of the proxy shall cover the continuation of the suspended General Meeting or the General Meeting re-convened because of the lack of quorum. The proxy shall be drawn up in the form of a public document or a private document providing full evidence and it shall be submitted to the Company. The authorisation issued by the shareholder's proxy shall state that the representative is acting as shareholder's proxy. A proxy may represent more than one shareholder, but must have a proxy authorisation in the form of a public document or a private document providing full evidence for each shareholder represented.

The Company requires prior registration as a prerequisite for attendees being present at the venue of the General Meeting on the day of the event.

The shareholders may also attend the General Meeting by electronic means of communication provided that the conditions for it are in place.

Shareholders may also exercise their voting rights by post before the General Meeting. The voting declaration must include, as a condition of its validity, the data necessary for the identification of the shareholder. The voting declaration must be made in an authentic instrument or in a private document with full probative value. The voting declaration must be sent to the Company by post. The voting declaration must be received by the Company at least 3 (three) working days before the General Meeting.

B) Holding the General Meeting

The supreme body of the Company is the General Meeting. A General Meeting shall be convened by means of a notice published according to the Articles of Association at least thirty (30) days before the start date of the General Meeting.

A General Meeting can take place in the event it is not, or not properly, convened and all shareholders are present and unanimously agree to holding the meeting. If a resolution is adopted at a General Meeting convened or held irregularly and, therefore, the resolution is not valid, then it will become valid with retroactive effect from the date when it was adopted if all shareholders unanimously recognize it as valid within thirty (30) days from the date of the General Meeting.

A resolution on an item not contained in the Agenda may be adopted only in the presence of all shareholders holding a right to participate, provided the shareholders unanimously approve the discussion of the item.

A General Meeting shall have a quorum if shareholders representing more than half of the share capital carrying a right to vote are present. When a General Meeting does not have a quorum, a repeated General Meeting shall be convened to discuss items on the original agenda maximum twenty-one (21) days after the original date. The repeated General Meeting shall have a quorum regardless of the number of attendees.

The invitation to the General Meeting shall contain:

- a) the company name and registered office of the Company;
- b) the date and place of the General Meeting;
- c) the agenda of the General Meeting;
- d) the manner of holding the General Meeting;
- e) the conditions required to exercise voting rights as specified in the Articles of Association;
- f) the venue, date and time of the repeated General Meeting in case the General Meeting does not have a quorum;
- g) conditions to exercising rights of adding items to the agenda, and
- h) the place of availability of the draft resolutions and the original and complete text of the documents to be submitted to the General Meeting.

The presiding chairman of the General Meeting shall be the current Chairman and Chief Executive, or a person requested by them, except in the case of impediment, because in this case the person elected by the General Meeting by a simple majority will preside. A list of attendees shall be prepared to include shareholders present at the General Meeting. For each shareholder the list must contain the name and residential address (or registered office) of the shareholder or his/her proxy; the number of his/her shares and the number of votes he/she is entitled to; and any change in the person of attendees during the General Meeting. The list of attendees shall be authenticated by the presiding Chairman of the General Meeting and the Minute-taker, attaching their signatures to it.

According to his/her tasks and power the presiding Chairman of the General Meeting shall:

- a) open the General Meeting;
- b) establish if there is quorum;
- c) lead the meeting, within the framework of which he/she shall grant and withdraw the right to speak and he/she may limit the duration of the speech;
- d) order breaks;
- e) terminate the General Meeting.

Minutes shall be taken at each General Meeting, containing:

- a) the company name and registered office of the Company;
- b) the place, the date and the procedure for holding the General Meeting;
- c) the names of the presiding chairman of the General Meeting, the keeper and the verifier of the minutes and of the officials counting the votes;
- d) the most important events of, and motions made at, the General Meeting;
- e) the draft resolutions;

- f) for each resolution, the number of shares for which valid votes were cast and the proportion of the share capital represented by these votes;
- g) the number of votes cast for, cast against, and the number of abstentions.

The minutes shall be signed by the Minute-taker and the presiding chairman of the General Meeting, and a shareholder in attendance elected for that purpose. The Board of Directors of the Company shall place the Minutes of the General Meeting and the list of attendees among their documents and keep them as well as submit them to the court of registration within 30 days after the termination of the General Meeting. The Board of Directors of the Company shall furthermore publish the Minutes of the General Meeting incorporating the resolutions adopted at the General Meeting, the draft resolutions, the key questions and answers related to the draft resolution within 30 (thirty) days following the General Meeting.

By giving answers to the questions arising at the General Meeting the Company shall meet the principles of informing and publishing prescribed by the law and the stock exchange regulations and shall comply with them. The Company shall have 3 (three) business days following the day of the General Meeting to answer question arisen at the General Meeting and not answered to the satisfaction of the shareholder within its framework.

1.6 Demonstration of compliance with Chapter IV of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonisation purposes

Pursuant to the provisions of Section 22 (2) of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonisation purposes (hereinafter: 'Hrsz. tv.') and the Hpt., the Company is not required to prepare a remuneration report complying with Chapter IV of the Hrsz. tv. However, the Company discloses remuneration information in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR).

2.) Introduction of compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, the Company makes a statement regarding the extent to which it has implemented in its own corporate governance practice the recommendations and proposals specified in the relevant sections of the Corporate Governance Recommendations (Hungarian abbreviation: FTA) issued by Budapesti Értéktőzsde Zrt., by completing the following tables. These tables provide an overview for the investors of the extent of the compliance - by the relevant company - with certain requirements set out in the Corporate Governance Recommendations at glance, and enable easy comparison of the practices of the specific companies.

Level of compliance with the Recommendations

The Company indicates whether it follows the relevant recommendation or not, and if not, briefly explains the reasons why it did not follow that specific recommendation.

1.1.1. The Company has an organisational unit dealing with investor relationship management, or a designated person to perform these tasks.

Yes

1.1.2. The Company's Articles of Association are available on the Company's website.

Yes

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

Yes

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

Yes

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

Yes

1.2.3. The Company held its General Meetings in a manner providing for maximum shareholder participation.

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

1.6.1.2. The Company designs its homepage by considering the aspects of disclosure and the information of investors.

Yes

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

Yes

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

Yes

1.6.2.3. The Board of Directors/Governing Board assessed the efficiency of the publication processes.

Yes

1.6.2.4. The Company published the findings of the efficiency assessment of the publication process.

Yes

1.6.3. The Company published its annual company event calendar.

Yes

1.6.4. The Company published its strategy, business ethics and policies regarding other stakeholders.

Yes

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

Yes

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

Yes

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

Yes

1.6.9.1. The Company published its guidelines relating to the trading of its shares by insiders.

Yes

1.6.9.2. The Company disclosed the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company in the annual report or in some other way.

Yes

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

No

Explanation: The Company manages conflicts of interest in accordance with applicable sectoral laws and recommendations of the MNB, EBA, ESMA, as well as the changes in the regulations referred to above.

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

Yes

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

Yes

2.2.2. The Company published the procedure used for nominating Board of Directors / Governing Board members.

Yes

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

Yes

2.4.1.1. The Board of Directors / Governing Board and the Supervisory Board held meetings

periodically at a predefined interval.

Yes

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

Yes

2.4.2.1. Board members had access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting.

No

Explanation: The Company partially complies. The general procedure complies with the recommendation, but distinctly it is possible to set shorter access period with the chairman's approval on good grounds.

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

Yes

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

Yes

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

Yes

2.5.2. The composition and size of the boards complies with the principles set out in Section 2.5.2 of the Recommendations.

Yes

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

Yes

2.6.1. The Governing Board / Supervisory Board requested (in the context of preparing the annual

corporate governance report) its members considered to be independent to confirm their independence at regular intervals.

Yes

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

Yes

2.6.3. The Company published its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website.

Yes

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

No

Explanation: Dr. Géza Károly Láng was a member of the Board of Directors from 04.04.2022 to 31.08.2022 and has been a member of the Supervisory Board since 01.09.2022.

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

Yes

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

Yes

2.7.3. Board members informed the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group.

Yes

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

Yes

2.8.1. The Company created an independent internal audit function that reports directly to the Audit Committee / Supervisory Board.

Yes

2.8.2. Internal Audit has unrestricted access to all information necessary for carrying out audits.

Yes

2.8.3. Shareholders received information about the operation of the system of internal controls.

Yes

2.8.4. The Company has a function ensuring compliance (compliance function).

Yes

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

Yes

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

Yes

2.8.6. With the involvement of the relevant areas, the Board of Directors / Governing Board developed the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company.

Yes

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

Yes

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

Yes

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

Yes

Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

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

Yes

1.2.4. The Company determined the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account.

Yes

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

Yes

1.3.1.1. The Board of Directors/Governing Board and the Supervisory Board were represented at the General Meeting.

Yes

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

Yes

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

Yes

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

Yes

1.3.6. The annual report of the Company prepared as specified in the Accounting Act contains a brief,

easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation.

Yes

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

Yes

1.6.11. The Company published its information in English as well, in line with the provisions of Section 1.6.11.

Yes

1.6.12. The Company informed its investors about its operation, financial situation and assets on a regular basis, but at least quarterly.

Yes

2.9.1. The Company has in place internal procedures regarding the use of external advisors and outsourced activities.

Yes