



**Corporate Governance Report - 2023**  
**Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság**  
(1031 Budapest, Záhony utca 7., Cg.:01-20-000002)  
in accordance with the Corporate Governance Recommendations of the  
Budapest Stock Exchange

**General Information on the report of Corporate Governance**

Graphisoft Park SE (1031 Budapest, Záhony utca 7. Cg. 01-20-000002; hereinafter “company”) places great emphasis on implementing the Corporate Governance Recommendations and Guidelines, taking into account the relatively small size of the group of companies formed by the company and its subsidiaries and its simple organization structure (in average 24 employees, one-tier board, 6 members of the Board of Directors). The management of the company continuously improves its operational and monitoring practices.

The Board of Directors presents its Corporate Governance Report for the business year 2023 to the attention of the General Meeting in the form below as prescribed by the Corporate Governance Recommendations of the Budapest Stock Exchange and by the provisions of Act 5 of 2013 on the Civil Code.

**A brief presentation of the operation of the Board of Directors / Governing Board and the management, distribution of duties and responsibilities.**

The Board of Directors consists of 5 to 11 members. The Directors are all natural persons. The majority of the members of the Board of Directors must qualify as “independent person”. Board members are regarded as independent if they have no legal relations with the Company other than their membership of the Board of Directors. The Board of Directors establishes its own rules of procedure (“Rules of Procedure”) in accordance with the provisions of the Articles of Association and the Civil Code. The Board of Directors has a quorum if the majority of the members of the Board of Directors are present at the meeting or during the alternative decision-making procedure.

The Board of Directors is continuously monitoring the operations of the company. The Board of Directors holds its meetings more often than required, applying alternative methods (telephone, or other electronic communication methods). It requires and receives information continuously from the executive management. The Board of Directors does not take part in the daily management of the operations of the company.

The Board of Directors and the executive management are performing their duties with continuous legal support, supplementing the necessary time frame and expenditure to ensure

that all decisions are prepared responsibly, well founded financially and legally, taking into primary consideration the interests of the shareholders.

**An introduction of the management / Board of Directors, the audit committee and their members (with indicating the status of independence with each member) and the composition of each committee.**

**Gábor Bojár:** chairman of the Board of Directors. Non-independent, represents the company individually.

**János Kocsány:** member of the Board of Directors, chief executive office. Non-independent, represents the company individually as chief executive officer.

**András Szigeti:** member of the Board of Directors. Independent, represents the company jointly.

**Dr. János Kálmán:** member of the Board of Directors and the audit committee. Independent, represents the company jointly.

**Péter Hornung:** member of the Board of Directors and the audit committee. Independent, represents the company jointly.

**Dr. György Martin-Hajdu:** member of the Board of Directors and the audit committee. Independent, represents the company jointly.

**Ildikó Farkas:** CFO and member of the Board of Directors from 28.04.2023, non-independent, employee.

**Zsuzsa Pálfalvi:** director of operations, employee, also acted as the managing director of Graphisoft Park Services Kft (operating subsidiary) until 31.12.2023.

The company is operating with a one-tier board, the audit committee members are drawn from the independent members of the Board of Directors. The chief executive officer responsible for the daily operation of the company is a non-independent member of the Board of Directors. Member resumes are accessible on the company's website.

<https://www.graphisoftpark.hu/eng/Investor Relations - Corporate Governance>

**Frequency of the meetings of the Board of Directors and the audit committee in the reporting period, with participation rates.**

Audit Committee meetings: 2.  
Participation rate: 100%

Meetings of the Board of Directors: 8  
Participation rate: 100%

**Considered factors for the evaluation of the Board of Directors, the Supervisory Board, the executive management, and its members.**

**Reference shall be made to the changes based on the evaluation in the reported period**

The Board of Directors and the audit committee examined each of the members before deciding on any matter for possible conflicts of interest.

All members participated in meetings of the Board of Directors and the audit committee.

Before strategic and high impact decisions all members had unrestricted access to information. Implementation of the decisions were monitored by the members.

The Board of Directors and the audit committee had fulfilled their duties prescribed by law and by the Articles of Association.

The company does not evaluate the members individually.

**Report on the activities of each committee, including the introduction of the members of the committees, the number of meetings held and participation rates, relevant issues discussed at the meetings and the operation of the committees. If the Board of Directors passed a resolution contrary to the recommendations of the audit committee, the presentation of the operations of the audit committee shall indicate such event (as well as the reasons of the Board of Director's action).**

The audit committee convened twice. The meeting was attended by all members. The more important matters discussed were:

- reviewing the company's yearly activities
- reviewing and commenting the IFRS consolidated and individual reports
- controlling of the dividend payments
- approving its own report and submitting it to the general meeting
- examining the EUR subscription and the possibility of EUR dividend payment
- examining and commenting on the auditor's proposal

The introduction of the members can be found under the title „*An introduction of the management / Board of Directors, the audit committee and their members (with indicating the status of independence with each member) and the composition of each committee.*” Members' CVs can be found at <https://www.graphisoftpark.hu/eng/Investor Relations - Corporate Governance>.

The Board of Directors did not pass a resolution contrary to the recommendations of the audit committee.

**Presentation of internal controls, evaluation of its application in the reported period.  
Presentation on the efficiency and effectiveness of risk management procedures.  
(Information on the availability of the report on internal controls by the Board of Directors by shareholders.)**

The size of the company does not justify the establishment of a separate function outside the internal control system exercise. Responsibilities for considering and managing financial risks are performed by the Board of Directors as a whole on an ongoing basis. The system of internal controls established by the Board of Directors and management ensures that the risks affecting the company's activities are managed and that the company's objectives are achieved. Due to the size of the company and the group, there is no dedicated internal control function, all financial commitments are directly approved by management and all financial settlements require at least two approvers, and above a certain threshold, at least three approvers. The avoidance and prevention of abuse is a declared and priority criterion in the selection of partners and colleagues. The financial statements comply with International Financial Reporting Standards (IFRS).

The company's smaller structure allows the management and the Board of Directors to be informed directly of all material information and risk.

The management directly approved all financial commitments.

**Information on whether the auditor performed any activities not related to auditing.**

Yes, the auditor audited the interim balance sheets (audit related service)

**Overview on the company's disclosure policy, and policy on insider trading**

Publication policy: the company is committed to operate transparently. It aims to publish reliable and

accurate information regarding its existing and expected financial status and conditions meeting and exceeding its legal obligations and the requirements articulated in the recommendations from the stock exchange.

Insider trading policy: the company implemented a comprehensive policy regarding insider trading and market manipulation, which covers all employees of the company and its subsidiaries, as well as all persons required by law and persons abiding its provisions voluntarily by declaration. The policy defines the meaning and scope of insider information, persons accessing insider information, the procedures and persons responsible for classifying information as insider information and the rules for publishing insider information.

The company monitors regulatory actions, agency decisions and recommendations and reviews its policies as needed from time to time.

The small size of the organization structure allows the management to exercise comprehensive control.

### **Overview description on exercising shareholders' rights and brief overview on rules on the conducting of the General Meeting**

The company allows the exercise of shareholder rights as prescribed in the Act 102 of 2011 on regulated real estate investment companies and in its Articles of Association.

The shareholder must be entered into the register of shareholders to be able to exercise his/her/its rights.

The shareholder shall be entitled to participate at the General Meeting, within the framework stipulated by Act V of 2013 request information, and also to submit proposals and motions, and, if they hold shares with voting rights, to vote. The provisions of this notice shall have to be fulfilled in order to participate at the General Meeting and to vote.

Shareholders shall have the right to participate not only in person, but also through a proxy, and one proxy may represent several shareholders. The power of attorney shall be submitted to the Company, in the course of the registration process, in the form of a public document or a private document representing conclusive evidence.

In case of natural persons, the shareholders need to verify their identity by sufficient and reliable proof, in case of non-natural person shareholders, the representation rights of the persons signing the power of attorney or of the persons acting at the General Meeting on behalf of the non-natural person shareholders shall have to be verified by a document issued by the authentic public registration authority, not older than 30 days (for example both an extract from the companies register and a specimen of signature, together, not older than 30 days) or by a notarial deed.

The deeds issued abroad must be presented in a proper form, in compliance with the laws governing the certification and legalization of documents issued abroad. The documents can be issued in Hungarian or English. A certified Hungarian or English translation has to be attached of any documents issued in other languages. The Chairman of the General Meeting or a member of the Board of Directors or the auditor of the Company cannot be appointed as representative of the shareholder.

The securities intermediary registered in the register of shareholders (share register), as the shareholder's proxy (nominee) may act on behalf of the shareholder according to the provisions of Act CXX of 2001 on the Capital Market.

The name of the shareholder or nominee intending to attend the General Meeting must be entered into the register of shareholders until the second working day prior to the starting day of the General Meeting. Those shareholders shall be entitled to exercise their shareholders' rights at the General Meeting whose names are registered in the Register of Shares at 6 p.m. on the second working day prior to the starting day of the General Meeting.

The Company will request the ownership identification from KELER Zrt. for the time of the General

Meeting. The rules governing ownership identification are the then current General Business Rules of KELER Zrt. The securities intermediaries shall be obliged to provide for registration of the shareholders in the register of shareholders. The securities intermediaries provide information to the shareholders about the time limit set for execution of the orders submitted to the securities intermediaries for making the entries into the register of shareholders. The Company shall not undertake any liability for the consequences arising from any failures by the securities intermediaries.

For items on the agenda of the General Meeting, the Board of Directors shall be obliged to provide the shareholders with the information necessary to discuss any and all items on the agenda of the General Meeting, so that the shareholders – upon a written request filed at least eight days prior to the General Meeting – shall receive the necessary information at least three days prior to the General Meeting

Shareholders who have minimum one per cent of the votes are entitled to request any addition to the agenda of the General Meeting, in writing, within the time limit stipulated by law, by indicating the reasons thereof, or to submit proposals for resolutions in connection with the agenda.

Method of holding the General Meeting: with attendance in person. The General Meeting shall be held in Hungarian.

Voting rights:

- each “A” series ordinary share shall entitle to one vote per share;
- each “B” series employee share shall entitle to one vote per share. Chapter 13 of the Articles of Association [Quorum, Voting, Voting rights], and the further rules specified in the Management Share Option Plan shall be applied in terms of the voting rights vested in the employee shares.

The Company shall disclose the material data of the draft annual statements prepared according to the Accounting Act, and of the reports of the Board of Directors and the Audit Committee, the summary about the number of the shares and of the voting rights existing at the date of the convocation (as well as the separate summary on the different series of shares), as well as the proposals to the agenda items and the draft resolutions, at least twenty one days prior to the General Meeting, according to the provisions of Section 35 of the Articles of Association, with due consideration of Article 3:272 (3) b) of the Hungarian Civil Code.

Voting procedures employed by the company allows the voting results to be clearly and efficiently determined and are adjusted to the number of participants.

The Board of Directors and the audit committee is represented on the General Meeting.

Right to receive dividend, payment of dividends: governed by and carried out in accordance with the provisions of the Civil Code, the law on regulated real estate investment companies and the Articles of Association. Turning dates are published in the general meeting invitation and the dividend announcement.

The company designates an officer who is responsible for investor relations. The designated officer can be contacted directly.

The Articles of Association is published on the Company’s website.

### **Demonstration of the issuer's compliance with Chapter IV of Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain Acts for the purposes of legal harmonisation**

The remuneration package, adapted to the size of the Company and the Group, consists of the following elements: annual income and employee shares.

In 2014, the Company launched a medium and long-term incentive program, the Management Share Option Plan, which aims to encourage management to increase the value of the Company in a long-term

and sustainable manner, thereby aligning management and shareholder interests more closely.

The primary objective of the Management Share Option Plan is to enable senior employees to participate meaningfully, through Management Share, in decisions which fall within the exclusive competence of the Board of Directors, while ensuring the primacy of the interests of the Company and, where necessary, acting within the limits of the law, against attempts to influence the Company in a way which is prejudicial or dangerous to its interests and its reasonable functioning.

At the same time, the Management Share Option Plan is also designed to attract the best possible workforce to fill positions of significant responsibility in order to reward and encourage senior employees over the long term, and to retain and provide further incentives to senior employees already in such positions.

The Board of Directors has the possibility to offer employee shares under the Management Share Option Plan.

The rights attached to the employee share are fully set out in the Company's Articles of Association.

The Board of Directors is of the opinion that the Management Share Option Plan (including its amendments), which was introduced in 2014, provides a simple, clear and transparent system for the Company's business strategy, adapted to the size of the Group, aligns and thereby ensures the short and long-term interests of management and shareholders, and is sustainable based on the dividend entitlement of the ordinary shares.

## Remuneration report for the financial year 2023

The Company has prepared this Remuneration Report for the financial year 2023 (the "Report") in accordance with the provisions of Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain Acts for the purposes of legal harmonisation and the remuneration policy approved by the General Meeting of Shareholders of the Company with a view to expressing an opinion.

The Company has a one-tier governance system, the members of the Audit Committee shall be elected from among the members of the Board of Directors.

The remuneration report covers the remuneration of the members of the Board of Directors and the Audit Committee, the dividends received on employee shares allocated under the Management Share Ownership Plan and the directors' remuneration.

### **Remuneration of members of the Board of Directors and Audit Committee in 2023**

#### **Gábor Bojár**

In 2023, the Chairman of the Board of Directors received a gross monthly remuneration of EUR 2,000, and a gross annual remuneration of EUR 24,000.00. He had no other remuneration, benefits or compensation. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020 his remuneration was HUF 600.000,- per gross per month as of 26 April 2018.

#### **János Kocsány**

The remuneration of the member of the Board of Directors was EUR 1.000,- gross per month in 2023, and EUR 12.000,- gross annually. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020, the remuneration was HUF 300.000,- gross per month as of 26 April 2018. János Kocsány, as CEO of the company, also received remuneration and dividends on his employee shares.

#### **András Szigeti**

The remuneration of the member of the Board of Directors was EUR 1.000,- gross per month in 2023, and EUR 12.000,- gross annually. He had no other remuneration, benefits or compensation. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020 his remuneration was HUF 300.000,- per gross per month as of 26 April 2018.

#### **Ildikó Farkas**

The remuneration of the member of the Board of Directors from her election of 28 April 2023 was EUR 1.000,- gross per month in 2023, and EUR 8.067,- gross annually. Ildikó Farkas, as CFO of the company, also received remuneration and dividends on her employee shares.

#### **Péter Hornung**

The remuneration of the member of the Board of Directors and the member of the Audit Committee was EUR 1.000,- gross per month in 2023, and EUR 12.000,- gross annually. He had no other remuneration, benefits or compensation. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020 his remuneration was HUF 300.000,- per gross per month as of 26 April 2018.

#### **Dr. János Kálmán**

The remuneration of the member of the Board of Directors and the Chairman of the Audit Committee was EUR 1.500,- gross per month in 2023, and EUR 18.000,- gross annually. He had no other remuneration, benefits or compensation. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020 his remuneration was HUF 300.000,- per gross per month as of 26 April

2018.

### **Dr György Martin-Hajdu**

The remuneration of the member of the Board of Directors and the member of the Audit Committee was EUR 1.000,- gross per month in 2023, and EUR 12.000,- gross annually. He had no other remuneration, benefits or compensation. There were no changes compared to the previous year, the remuneration remained unchanged from 1 May 2020. Before 1 May 2020 his remuneration was HUF 300.000,- per gross per month as of 26 April 2018.

### **Dividends on employee shares<sup>1</sup>**

**János Kocsány, CEO** was entitled to receive dividends on employee shares under the Management Share Ownership Plan approved by the General Meeting of Shareholders. In 2023, the amount of his performance-based dividend under the Management Share Ownership Plan was: HUF 92.782.907.

Number of employee shares: 923.213 shares

Number and date of owned employee shares issued and repurchased as of December 31, 2023: 518.443 shares issued – 30 September 2020, 866.376 shares issued – 11 March 2022, 461.606 shares repurchased – 6 April 2023

The issue and the repurchase were decided by the Board of Directors on the basis of the Management Share Ownership Plan. The entitlements and clawback options for employee shares are set out in the Management Share Ownership Plan.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	92.782.907	73.395.407	61.694.717	59.010.304	52.532.676

**Idikó Farkas, CFO** was entitled to receive dividends on employee shares under the Management Share Ownership Plan approved by the General Meeting of Shareholders. In 2023, the amount of her performance-based dividend under the Management Share Ownership Plan was: HUF 9.045.000. In the case of the performance-based dividend, it was taken into account that in 2022 she was the CFO only from the second half of the year.

Number of employee shares: 90.000 shares

Number and date of owned employee shares issued as of December 31, 2023: 90.000 shares – 6 April 2023

The issue was decided by the Board of Directors on the basis of the Management Share Ownership Plan. The entitlements and clawback options for employee shares are set out in the Management Share Ownership Plan.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
actual	9.045.000	0	N/A	N/A	N/A
<i>projected for a full year<sup>2</sup></i>	<i>18.090.000</i>	<i>0</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

**Zsuzsa Pálfalvi, Director of Operations,** was entitled to receive dividends on employee shares under the

<sup>1</sup> Due to the nature of dividend payments for employee shares, the period of employment that generates eligibility for dividend (the given fiscal year) and the time of payment of the dividend (the year following the fiscal year, when the General Meeting decides on the dividend payment) differ. The report indicates the payment dates.

<sup>2</sup> the amount projected for the entire year does not include the actual payment, but in the case of fractional years the amount projected for the entire year so that it can be compared with other annual amounts



Management Share Ownership Plan approved by the General Meeting of Shareholders. In 2023, the amount of her performance-based dividend under the Management Share Ownership Plan was: HUF 12.060.000.

Number and date of employee shares issued: 120.000 shares – 6 April 2023

Number and date of employee shares redeemed: 120.000 shares – 27 November 2023

The issue and the redemption were decided by the Board of Directors on the basis of the Management Share Ownership Plan. The entitlements and clawback options for employee shares are set out in the Management Share Ownership Plan.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	12.060.000	0	0	0	0

**Sándor Bihari, former CFO**, till 30 June 2022, was entitled to receive dividends on employee shares under the Management Share Ownership Plan approved by the General Meeting of Shareholders.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	N/A	26.041.444	11.812.178	0	N/A

#### **Annual basic salaries and other allowances**

Annual basic salary of **János Kocsány, CEO** in 2023: HUF 14.400.000,-; fringe benefits: HUF 861.169,-; employee share repurchase: HUF 3.481.802,-.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	18.742.991	15.080.000	15.080.000	15.080.000	15.080.000

Annual basic salary of **Ildikó Farkas, CFO** in 2023: HUF 15.180.000,-; fringe benefits: HUF 1.117.189,-.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	16.297.189	8.819.000	N/A	N/A	N/A

Annual basic salary of **Zsuzsa Pálfalvi, Director of Operations** in 2023: HUF 20.558.999,-; fringe benefit: HUF 1.117.189,-; bonus: HUF 150.376,-; severance pay: HUF 20.342.184,-; employee share repurchase: HUF 909.816,-.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019. <sup>3</sup>
with severance payment	40.078.564	22.673.000	18.480.000	16.815.682	9.027.500
without severance payment <sup>4</sup>	22.736.380	22.673.000	18.480.000	16.815.682	9.027.500

<sup>3</sup> was on partial leave in 2019

<sup>4</sup> the amount calculated without severance payment was presented for the sake of comparability

Annual remuneration of **Sándor Bihari, former CFO**, till 30 June 2022.

Annual changes in remuneration (HUF)	2023.	2022.	2021.	2020.	2019.
	N/A	21.434.129	19.880.000	9.940.000	N/A

### Summary

In 2023, fixed and variable remuneration components were found for János Kocsány, CEO, Ildikó Farkas, CFO and Zsuzsa Pálfalvi, Director of Operations. Their ratio:

Name / Remuneration in 2023 (HUF)	Fixed remuneration	Variable remuneration	Total remuneration	Fixed remuneration rates	Variable remuneration rates
János Kocsány, CEO	23.346.701	92.782.907	116.129.608	20%	80%
Ildikó Farkas, CFO	19.364.494	9.045.000	28.409.494	68%	32%
<i>Ildikó Farkas, CFO, with projected amount for a full year<sup>5</sup></i>	<i>19.364.494</i>	<i>18.090.000</i>	<i>37.454.494</i>	<i>52%</i>	<i>48%</i>
Zsuzsa Pálfalvi, Director of Operations	43.078.564	12.060.000	55.138.564	78%	22%
<i>Zsuzsa Pálfalvi, Director of Operations, without severance payment<sup>6</sup></i>	<i>22.736.380</i>	<i>12.060.000</i>	<i>34.796.380</i>	<i>65%</i>	<i>35%</i>

In 2022, fixed and variable remuneration components were found for János Kocsány, CEO and Sándor Bihari, former CFO. Their ratio:

Name / Remuneration in 2022 (HUF)	Fixed remuneration	Variable remuneration	Total remuneration	Fixed remuneration rates	Variable remuneration rates
János Kocsány, CEO	19.775.960	73.395.407	93.171.367	21%	79%
Sándor Bihari, CFO	21.434.129	26.041.444	47.475.573	45%	55%

The Company has not applied performance criteria other than the Management Share Ownership Plan.

The Company has had no non-executive employees in the last five financial years.

Based on the fulfilled criteria, legitimately paid variable remuneration (dividends) cannot be reclaimed.

Changes compared to the previous financial year: the remuneration of the members of the Board of Directors has not changed in the financial year 2023. The members of the Board of Directors and the Audit Committee

<sup>5</sup> the amount projected for the entire year does not include the actual payment, but in the case of fractional years the amount projected for the entire year so that it can be compared with other annual amounts

<sup>6</sup> the amount calculated without severance payment was presented for the sake of comparability

do not receive any cash or non-cash benefits other than honoraria in respect of their office.

In implementing the remuneration policy, there were no deviations from the approved remuneration policy, and the Company acted in accordance with the policy adopted by the opinion vote and the Management Share Ownership Plan. The Company has awarded variable remuneration based on pro forma results.

The beneficiaries of the Management Share Ownership Plan are not the same as the "directors" defined in the Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain Acts for the purposes of legal harmonisation, but the Company will present the remuneration of all the beneficiaries for the purpose of the entitlement to employee shares.

The 2022 Remuneration Report was approved by the Company's General Meeting on 28 April 2023. Accordingly, the Company did not modify the implementation practice of its remuneration policy.

The remuneration policy ensures the directors' commitment and incentive to increase the Company's long-term performance. The dividend-based performance criterion encourages directors to consider the long-term interests of investors, owners and employees in their decisions. Performance compensation is in line with the Company's strategic goals and values.

## **Corporate governance declaration on the compliance with the Corporate Governance Recommendations**

### **Level of compliance with the Recommendations**

The Company will indicate whether it applies the relevant recommendation (Yes / No) and, if not, provide a brief explanation of the reasons for not applying the recommendation.

1.1.1. Does the Company have an organizational unit dealing with investor relationship management, or a designated person to perform these tasks?

**Yes** **No**

Explanation:

1.1.2. Are the Company's Articles of Association available on the Company's website?

**Yes** **No**

Explanation:

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

**Yes** **No**

Explanation:

1.2.1. Did the Company publish 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** **No**

Explanation:

1.2.2. Did the Company publish 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** **No**

Explanation:

1.2.3. Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

**Yes** **No**

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** **No**

Explanation:

1.2.7. In addition to the Board of Directors' proposal for a resolution, the Supervisory Board's opinion was also made available to shareholders in the case of agenda items.

**Yes** **No**

Explanation:

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**

No

Explanation:

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

**Yes**

No

Explanation:

1.3.5. Did the Company publish 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**

No

Explanation: Such event did not take place.

1.3.7. Did the Chairman of the General Meeting order a recess or suggest 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**

No

Explanation: Such event did not take place.

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**

No

Explanation:

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

**Yes**

No

Explanation: Such event did not take place.

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass 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**

**No**

Explanation:

1.3.10. Did 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**

**No**

Explanation:

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

**Yes**

**No**

Explanation: Due to the size of the company and the group, there are no specific guidelines, management and the Board of Directors decide directly on disclosure and related assessments.

1.6.1.2. Does the Company design its website by considering the aspects of disclosure and the information of investors ?

**Yes**

**No**

Explanation:

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

**Yes**

**No**

Explanation: Due to the size of the company and the group, there are no specific guidelines, management and the Board of Directors decide directly on disclosure and related assessments.

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

**Yes**

**No**

Explanation: Due to the size of the company and the group, there are no specific guidelines, management and the Board of Directors decide directly on disclosure and related assessments.

1.6.2.3. Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

**Yes**

**No**

Explanation:

1.6.2.4. Did the Company publish the findings of the efficiency assessment of the publication process?

**Yes**

**No**

Explanation: It found it appropriate.

1.6.3. Did the Company publish its annual company event calendar?

**Yes**

**No**

Explanation:

1.6.4. Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

**Yes** **No**  
Explanation:

1.6.5. Has the Company disclosed in the annual report or on its website information on the careers of the members of the Board of Directors, the Supervisory Board and the management.

**Yes** **No**  
Explanation:

1.6.6. Did the Company publish all relevant information about 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** **No**  
Explanation:

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

**Yes** **No**  
Explanation: No specific guidelines due to the size of the company and group.

1.6.9.1. Did the Company publish its guidelines relating to the trading of its shares by insiders?

**Yes** **No**  
Explanation: Due to the size of the company and the group, each stakeholder was informed separately, and it was not necessary to make the guidelines public.

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company, as well as the extent of their interest under the equity-based incentive system in the annual report or in some other way?

**Yes** **No**  
Explanation:

1.6.10. Did the Company publish 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?

**Yes** **No**  
Explanation:

2.1.1. Does 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** **No**  
Explanation:

2.2.1. Does the Board of Directors / Governing Board have a rule of procedure in place defining the organizational 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** **No**  
Explanation:

2.2.2. Does the Company publish the procedure used for nominating Board of Directors / Governing

Board members and the principles for determining their remuneration?

**Yes**

**No**

Explanation: Due to the size of the Company and the Group, there are no specific guidelines.

2.3.1. Does the Supervisory Board provide 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**

**No**

Explanation:

2.4.1.1. Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

**Yes**

**No**

Explanation:

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

**Yes**

**No**

Explanation:

2.4.2.1. Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

**Yes**

**No**

Explanation:

2.4.2.2. Did the Company arrange 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**

**No**

Explanation:

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

**Yes**

**No**

Explanation: Due to the size of the company and the group, there is no need for a specific regulation for non-board members, and no restriction was proposed.

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

**Yes**

**No**

Explanation:

2.5.2. Does the composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations?

**Yes**

**No**

Explanation:



2.5.3. Did the Company ensure 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**

**No**

Explanation:

2.6.1. Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

**Yes**

**No**

Explanation:

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

**Yes**

**No**

Explanation: Due to the size of the company and the group, there is no need to set up a separate evaluation system.

2.6.3. Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

**Yes**

**No**

Explanation: The Company acts upon the relevant legal provisions and the Articles of Association

2.6.4. Does the Supervisory Board of the Company 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?

**Yes**

**No**

Explanation:

2.7.1. Did members of the Board of Directors / Governing Board inform 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**

**No**

Explanation: Such event did not take place.

2.7.2. Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company 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**

**No**

Explanation:

2.7.3. Did board members inform 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**

**No**

Explanation:

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

**Yes**

**No**

Explanation:

2.8.1. Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

**Yes**

**No**

Explanation: Due to the size of the company and the group, there is no dedicated internal control function, all financial commitments are directly approved by management

2.8.2. Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

**Yes**

**No**

Explanation:

2.8.3. Did shareholders receive information about the operation of the system of internal controls?

**Yes**

**No**

Explanation:

2.8.4. Does the Company have a function ensuring compliance (compliance function)?

**Yes**

**No**

Explanation:

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

**Yes**

**No**

Explanation:

2.8.5.2. Did the relevant organization of the Company and the General Meeting received information about the efficiency of the risk management procedures?

**Yes**

**No**

Explanation: The General Meeting did not receive distinct information on this topic

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

**Yes**

**No**

Explanation:

2.8.7. Did the Board of Directors / Governing Board define 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**

**No**

Explanation:

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

**Yes**

**No**

Explanation:

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

**Yes**

**No**

**Level of compliance with the Proposals**

The company must indicate whether it will apply the relevant FTA proposal (Yes/No). The company also has the possibility to justify any deviation from the proposals.

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

**Yes**

No

(Explanation: )

1.2.4. Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

**Yes**

No

(Explanation: In the financial year 2023, shareholders have not initiated a general meeting.)

1.2.5. Does 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**

No

(Explanation:)

1.3.1.1. Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

**Yes**

No

(Explanation: )

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

**Yes**

No

(Explanation: )

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**

No

(Explanation: )

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**

No

(Explanation: )

1.3.6. Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?

**Yes** **No**  
(Explanation: The summary is part of the IFRS consolidated report.)

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

**Yes** **No**  
(Explanation: )

1.6.11. Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11?

**Yes** **No**  
(Explanation: )

1.6.12. Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

**Yes** **No**  
(Explanation: )

2.9.1. Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

**Yes** **No**  
(Explanation: Due to the size of the company and the group, there is no separate internal procedure, and the use of external consultants and outsourced services is subject to legal requirements and direct management control.)