

## Summary Report

### Corporate Governance Practice at FOTEX HOLDING

FOTEX Első Amerikai-Magyar Vagyonkezelő Company Limited by Shares transformed to form a European public limited company on 31<sup>st</sup> December 2008, and the Company changed its seat to Luxembourg (L-8308 Capellen, 75 Parc d'Activités, Luxembourg).

FOTEX HOLDING applies the recommendations, suggestions regulated in Corporate Governance Recommendations ("CGR") prepared by the Budapest Stock Exchange Company Limited by Shares according to the undermentioned.

There is a Board of Directors operating at the Company since 1<sup>st</sup> July 2006. according to Hungarian Act IV of 2006 and the unitary board structure. The Board of Directors shall be composed of a minimum of five and a maximum of eleven members. These provisions harmonize with the regulation 2157/2001 EC on the statute of European public limited company, with Hungarian Act XLV of 2004 on European public limited company and with the law of 10 August 1915 on commercial companies and European companies effective in Luxembourg.

The Board of Directors and the Audit Committee formed by independent members from the Board of Directors complete the tasks of Managing Body and Supervisory Board at the Company.

The general assembly is entitled to elect and recall the members of the Board of Directors and the Audit Committee by single ballot. The mandate of the members of the Board of Directors and the Audit Committee holds for the date of the ordinary general meeting held in 2012.

The managing director is responsible for the operative management of the Company, and the Board of Directors exercises the employer's rights over the managing director.

Each member of the Board of Directors is high-qualified, acclaimed specialist.

The competence of the Board of Directors contains the monitoring of the managing director's achievement and the statement for remuneration according to principles prepared by general assembly. The managing director evaluates the achievement of the management by its activity for the Company and by the economic benefit.

The Board of Directors ensures the monitoring and analysis of risk of the management's economic decisions and the reduction of risk by internal controls.

The Board of Directors provides correct, full information effective on the rate of the Company's shares in connection with the Company and this information is accessible for the shareholders.

The Board of Directors ensures that shareholders may exercise their rights in order to attend at the ordinary and extraordinary general meetings and the items on the agenda, the suggestions were published. The shareholders can submit written proposals.

The Audit Committee is composed of three members. The Audit Committee opines the annual report of the Company, controls and evaluates the operation of financial system, provides its tasks in connection with the Auditor of the Company.

The economic management gives all information considering the accountancy, finance and operation of the Company to Audit Committee to provide its tasks.

The Audit Committee's and the Board of Directors' activities are regulated by the regulatory provisions.

The Company publishes the information about the career of the Board of Directors' members in the annual report and on its website.

The Company publishes the resolutions, the exposition of the resolutions, the minutes containing relevant quires and answers in connection with the resolutions after the general meeting and ensures the shareholders to get to know their content.

The Board of Directors applies the Corporate Governance Recommendations prepared by the Budapest Stock Exchange Company Limited by Shares in the course of the operation last economic year.

Capellen, 07<sup>th</sup> April, 2011

Board of Directors  
FOTEX HOLDING

## Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the following tables, the company declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd.

By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

### Level of compliance with the Recommendations

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

R 1.1.1	The Managing Body ensured that shareholders received access to information in time to enable them to exercise their rights.	<u>Yes</u> (Complies)	No (Please explain)
R 1.1.2	The company applies the "one share - one vote" principle.	<u>Yes</u> (Complies)	No (Please explain)
R 1.2.8	The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.	<u>Yes</u> (Complies)	No (Please explain)
R 1.2.9	Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.	<u>Yes</u> (Complies)	No (Please explain)
	The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.	Yes (Complies)	<u>No</u> the Company hasn't got Supervisory Board
R 1.2.10	Shareholders' comments on and supplements to the items on the agenda were published at least two days prior to the general meeting.	<u>Yes</u> (Complies)	No (Please explain)
R 1.3.8	Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.	<u>Yes</u> (Complies)	No (Please explain)
	Written comments made on the items on the agenda were published two working days prior to the general meeting.	<u>Yes</u> (Complies)	No (Please explain)
R 1.3.10	The election and dismissal of executives took place individually and by separate resolutions.	<u>Yes</u> (Complies)	No (Please explain)
R 2.1.1	The responsibilities of the Managing Body include those laid out in 2.1.1.	<u>Yes</u> (Complies)	No (Please explain)

- R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.  
Yes (Complies) No (Please explain)  
The Supervisory Board held meetings regularly, at times designated in advance.  
Yes (Complies) No the Company hasn't got Supervisory Board
- The rules of procedure of the Managing Body provide for unscheduled meetings and decision-making through electronic communications channels.  
Yes (Complies) No
- The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.  
Yes (Complies) No the Company hasn't got Supervisory Board
- R 2.5.1 The Management Board of the company has a sufficient number of independent members to ensure the impartiality of the board.  
Yes (Complies) No (Please explain)
- R 2.5.4 At regular intervals (in connection with the CG Report) the Managing Body requested a confirmation of their independent status from those members considered independent.  
Yes (Complies) No the Managing Body is aware of the independent status of their members in an official way.
- R 2.5.5 At regular intervals (in connection with the CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.  
Yes (Complies) No the Company hasn't got Supervisory Board
- R 2.5.7 The company disclosed on its website the guidelines on the independence of the Managing Body and the Supervisory Board, as well as the criteria applied for assessing independence.  
Yes (Complies) No the independence is appointed by the Hungarian Company Law.
- R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).  
Yes (Complies) No, there wasn't such a transaction.
- R 2.6.2 Transactions between board and executive management members (and persons in close relationship to them) and the company (or its subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules in place.  
Yes (Complies) No (Please explain)
- Transactions which according to 2.6.2, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).  
Yes (Complies) No, there wasn't such a transaction.
- R 2.6.3 Board members informed the Supervisory Board/Audit Committee if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company

group.

Yes (Complies)

No (Please explain)

R 2.6.4

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 2.7.1

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

Yes (Complies)

No (Please explain)

The Supervisory Board formed an opinion on the remuneration guidelines.

Yes (Complies)

No the Company hasn't got Supervisory Board

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

Yes (Complies)

Supervisory Board

No the Company hasn't got

R 2.7.2

The Managing Body prepared an evaluation of the work it carried out in the given business year.

Yes (Complies)

Supervisory Board

No the Company hasn't got

The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

Yes (Complies)

Supervisory Board

No the Company hasn't got

R 2.7.3

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

Yes (Complies)

entitled to determine the remuneration for the executive management.

No, the managing director is

The frameworks of benefits due to members of the executive management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

Yes (Complies)

No, there wasn't.

R 2.7.4

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

R 2.7.7

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

Yes (Complies)

No (Please explain)

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

	<u>Yes</u> (Complies)	No (Please explain)
R 2.8.1	The Managing Body or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.	
	<u>Yes</u> (Complies)	No (Please explain)
	The Managing Body requests information on the efficiency of risk management procedures at regular intervals.	
	<u>Yes</u> (Complies)	No (Please explain)
	The Managing Body took the necessary steps to identify the major risk areas.	
	<u>Yes</u> (Complies)	No (Please explain)
R 2.8.3	The Managing Body formulated the principles regarding the system of internal controls.	
	<u>Yes</u> (Complies)	No (Please explain)
	The system of internal controls established by the executive management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.	
	<u>Yes</u> (Complies)	No (Please explain)
R 2.8.4	When developing the system of internal controls, the Managing Body took into consideration the viewpoints included in 2.8.4	
	<u>Yes</u> (Complies)	No (Please explain)
R 2.8.5	It is the duty and responsibility of the executive management to develop and maintain the system of internal controls.	
	<u>Yes</u> (Complies)	No (Please explain)
R 2.8.6	The company created an independent Internal Audit function which reports to the Audit Committee.	
	Yes (Complies) controls itself.	<u>No</u> , the Audit Committee
	The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanisms and corporate governance functions.	
	Yes (Complies)	<u>No</u> , there isn't any Internal Audit.
R 2.8.7	The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee.	
	Yes (Complies) controls itself.	<u>No</u> , the Audit Committee
	As an organisation, the Internal Audit function is independent from the executive management.	
	Yes (Complies) controls itself.	<u>No</u> , the Audit Committee
R 2.8.8	The Internal Audit schedule was approved by the Managing Body (Supervisory Board) based on the recommendation of the Audit Committee.	
	Yes (Complies) schedule.	<u>No</u> , there isn't any Internal Audit
R 2.8.9	The Managing Body prepared its report for shareholders on the operation of internal controls.	

Yes (Complies) No, the Managing Body did not prepare its report on the operation of internal controls.

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

Yes (Complies) No (Please explain)

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

Yes (Complies) No, the Company hasn't got any information about deficiencies or flow in the system of internal controls

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

Yes (Complies) No (Please explain)

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

Yes (Complies) No, the Company hasn't got any Supervisory Board.

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

Yes (Complies) No, every member of the Managing Body knows the "significant bearing".

R 3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies) No (Please explain)

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

Yes (Complies) No (Please explain)

R 3.2.3 The Audit Committee received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor, and received the auditor's report on problems discovered during the audit.

Yes (Complies) No (Please explain)

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

Yes (Complies) No, there isn't new candidate.

R 3.3.1 There is a Nomination Committee operating at the company.

Yes (Complies) No, the Board of Directors works flexible.

R 3.3.2 The Nomination Committee provided for the preparation of personnel changes.

	Yes (Complies) Committee.	<u>No</u> , there isn't any Nomination Committee.
	The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Nomination Committee.
	The Nomination Committee evaluated the activity of board and executive management members.	
	Yes (Complies) Nomination Committee.	No <u>No</u> , there isn't any
	The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Nomination Committee.
R 3.4.1	There is a Remuneration Committee operating at the company.	
	Yes (Complies) flexible.	<u>No</u> , the Board of Directors works
R 3.4.2	The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
R 3.4.3	The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
	The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
	The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
R 3.4.4	The Remuneration Committee made proposals regarding remuneration guidelines and the remuneration of individual persons.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
	The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
	The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.	
	Yes (Complies) Committee.	<u>No</u> , there isn't any Remuneration Committee.
R 3.4.7	The majority of the members of the Remuneration Committee are independent.	
	Yes (Complies)	No (Please explain)



R 3.5.1	The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees. Yes (Complies) <u>No</u> , there are neither Remuneration nor Nomination Committee.
R 3.5.2	The Managing Body carried out the duties of the Remuneration and Nomination Committees and disclosed its reasons for doing so. <u>Yes</u> (Complies) No (Please explain)
R 4.1.1	In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full. <u>Yes</u> (Complies) No (Please explain)
R 4.1.2	The company ensured in its disclosure activities that all shareholders and market participants were treated equally. <u>Yes</u> (Complies) No (Please explain)
R 4.1.3	The company's disclosure guidelines include the procedures governing electronic, on-line disclosure. <u>Yes</u> (Complies) No (Please explain)
	The company develops its website taking into consideration disclosure guidelines and the provision of information to investors. <u>Yes</u> (Complies) No (Please explain)
R 4.1.4	The Managing Body assessed the efficiency of disclosure processes. <u>Yes</u> (Complies) No (Please explain)
R 4.1.5	The company published its corporate events calendar on its website. Yes (Complies) <u>No</u> , the Company hasn't got any corporate events calendar, the announcements contain the date of the general meetings etc.
R 4.1.6	In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders. <u>Yes</u> (Complies) No (Please explain)
R 4.1.8	In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements. <u>Yes</u> (Complies) No (Please explain)
R 4.1.9	In the annual report and on the website the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management. <u>Yes</u> (Complies) No (Please explain)
R 4.1.10	The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof. <u>Yes</u> (Complies) No (Please explain)
R 4.1.11	In the annual report and in the Remuneration Statement on the company's website, the company informed the

public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies)

No (Please explain)

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

Yes (Complies)  
publish it.

No, the Managing Body shall not

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)  
regulated by the laws.

No, the insiders' trading is

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

Yes (Complies)

No (Please explain)

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

Yes (Complies)

No (Please explain)

### Level of compliance with the Suggestions

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

S 1.1.3 The company has an investor relations department. Yes / No

S 1.2.1 The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy) Yes / No

S 1.2.2 The company's articles of association are available on the company's website. Yes / No

S 1.2.3 The company disclosed on its website information according to 1.2.3 (on the record date of corporate events). Yes / No

S 1.2.4 Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website. Yes / No

S 1.2.5 The general meeting of the company was held in a way that ensured the greatest possible shareholder participation. Yes / No

S 1.2.6 Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting. Yes / No

S 1.2.7 The voting procedure applied by the company ensured unambiguous, clear and fast decision-making by Yes / No

shareholders.

S 1.2.11	At the shareholders' request, the company also provided information on the general meeting electronically.	<u>Yes</u> / No
S 1.3.1	The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.	<u>Yes</u> / No
S 1.3.2	The Managing Body and the Supervisory Board were represented at the general meeting.	<u>Yes</u> / No
S 1.3.3	The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.	Yes / <u>No</u>
S 1.3.4	The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.	Yes / <u>No</u>
S 1.3.5	The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.	<u>Yes</u> / No
S 1.3.6	The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.	<u>Yes</u> / No
S 1.3.7	The company published a press release and held a press conference on the decisions passed at the general meeting.	Yes / <u>No</u>
S 1.3.11	The company's general meeting decided on the different amendments of the articles of association in separate resolutions.	<u>Yes</u> / No
S 1.3.12	The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.	<u>Yes</u> / No
S 1.4.1	The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.	<u>Yes</u> / No
S 1.4.2	The company disclosed its policy regarding anti-takeover devices.	Yes / <u>No</u>
S 2.1.2	The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.	<u>Yes</u> / No
S 2.2.1	The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.	Yes / <u>No</u>
S 2.3.2	Board members had access to the proposals of a given meeting at least five days prior to the board meeting.	<u>Yes</u> / No
S 2.3.3	The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.	Yes / <u>No</u>

S 2.4.1	The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.	<u>Yes</u> / No
S 2.4.2	The composition of boards and the number of members complies with the principles specified in 2.4.2	<u>Yes</u> / No
S 2.4.3	Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.	<u>Yes</u> / No
S 2.5.2	The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.	<u>Yes</u> / No
S 2.5.3	The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.	<u>Yes</u> / No
S 2.5.6	The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.	Yes / <u>No</u>
S 2.7.5	The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.	<u>Yes</u> / No
S 2.7.6	In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.	Yes / <u>No</u>
S 2.8.2	The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.	<u>Yes</u> / No
S 2.8.10	When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10	<u>Yes</u> / No
S 2.8.12	The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee.	Yes / <u>No</u>
S 2.9.1	The rules of procedure of the Managing Body, the Supervisory Board and the committees cover the procedure to be followed when employing an external advisor.	Yes / <u>No</u>
S 2.9.4	The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.	<u>Yes</u> / No
S 2.9.5	The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.	<u>Yes</u> / No
S 3.1.2	The chairmen of the Audit Committee, Nomination Committee, Remuneration Committee (and any other committees operating at the company) regularly inform the Managing Body about the meetings of the committee, and the committees prepared at least one report for the Managing Body and the Supervisory Board in the given business year.	<u>Yes</u> / No
S 3.1.4	The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.	<u>Yes</u> / No

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

**Capellen, on 7<sup>th</sup> April 2011**

**Gábor Várszegi**  
**Chairman of the Board of Directors**  
**FOTEX HOLDING**