



MASTERPLAST Public Limited Company

Remuneration Policy

Chapter 1

The objective, purpose, content and scope of the Remuneration Policy

1.1. The objective and the purpose of the remuneration policy

1.1.1. The objective of this Remuneration Policy is to determine the remuneration and the benefits of the senior officers and the management of MASTERPLAST Nyilvánosan Működő Részvénytársaság for the duration of the legal relationship and for the event of termination of them. (seat: 8143 Sárszentmihály, Árpád utca 1/A, hereinafter referred to as „Company”).

1.1.2. The purpose of this Remuneration Policy is to serve the Company's business strategy, long-term interests and sustainability, promote transparency, facilitate the cost-effective and predictable operations, and to determine the regulations required for these matters.

1.2. Content of the Remuneration Policy

1.2.1. The present Remuneration Policy includes

- a) an indication of the various fixed and variable components of remuneration, including any form of bonus and other forms of remuneration of directors, with an indication of their proportion;
- b) a description of how the remuneration and terms and conditions of employment of employees of the Company have been taken into account in the course of determination the remuneration policy,
- c) the duration of contracts, the period of notice applicable, the main characteristics of supplementary or early retirement schemes, the conditions for terminating the contract and the payments due in the event of termination for the directors of the Company relating to employment or for directorship contracts
- d) a description of the decision-making process for defining, reviewing and implementing the remuneration policy, including measures to avoid or address conflicts of interest and - where appropriate - the role of the remuneration committee or any other relevant committee.

1.2.2. The Remuneration Policy describes the vesting periods, the rules for retaining the shares earned, and describes how the share-based remuneration contributes to the Company's business strategy, long-term interests, and sustainability.

1.2.3. The Remuneration Policy determine clear, comprehensive and diverse criteria for the allocation of variable remuneration elements

- a) the applicable financial and non-financial related performance criteria, especially the social responsibility criteria, and how they contribute to the Company's business strategy, long-term interests and sustainability,
- b) the methods to be used for determining the extent to which the performance criteria have been met,
- c) the provision for deferral periods and the Company's policy to reclaim the variable remuneration.

1.3. Personal scope of the Remuneration Policy

1.3.1. The personal scope of the Remuneration Policy is determined by Act LXVII of 2019 on the Promotion of Long-term Shareholder Participation and the Amendment of Certain Laws for Legal Harmonization. Pursuant to Article 2 (2) of the Act, the members of the Board of Directors of the Company - including its president and vice-president -, as well as for the CEO as such part of the management who is not a member of the Board of Directors.

1.4. Objects covered of the Remuneration Policy

1.4.1 The Remuneration Policy is applied for those persons set out in Section 1.3.1. and cover all the principles and system elements of remuneration, the methods and amount of the benefits provided in the event of the termination of their legal relationship.

Chapter 2 **Principles**

2.1. The Remuneration Policy must be implemented in accordance with the requirement of transparency.

2.2. In determining the remuneration, consideration shall be given to the requirement of proportionality, the liability of the person concerned, the efficiency of his or her work, the results obtained and experience, and the length of time spent with the Company. Efforts should be made to ensure that the level of remuneration is reasonable and genuinely rewards performance, contributes to the achievement of economic objectives and encourages effective work.

Chapter 3 **Applicable rules for the Members of the Board of Directors**

3.1. The remuneration

3.1.1 The remuneration of the members of the Board of Directors - including the President and Vice-president of the Board of Directors – is determined by the Annual General Meeting of the Company taking into account the applicable laws.

3.1.2 The remuneration of the members of the Board of Directors shall be determined that it is commensurate with the level of responsibility, does not impose a disproportionate financial burden on the Company, is proportionate to the executive's performance, the results and the number of employees of the Company, together with the social recognition and the economic sphere of the position.

3.2. Termination benefits

3.2.1. In the event of termination of legal relationship of President, vice-president and members of the Board of Directors, they shall not be eligible for indemnity regard to this legal status.

Chapter 4

Applicable rules for the Management

4.1. Remuneration and termination benefits for Management members who are members of the Board of Directors as well

4.1.1. For remuneration and termination of legal relationship of President and Vice-president as Management members who are members of the Board of Directors as well the Chapter 3 above shall be applied.

4.2. Remuneration of the Chief Executive Officer

4.2.1. The remuneration of the Chief Executive Officer is determined by the Board of Directors.

4.2.2. When determining the CEO's basic salary, the degree of responsibility associated with the position, the importance of the position in the economic scale, and the economic objectives to be achieved must be taken into account. It should be set at a level that does not impose an excessive financial burden on the Company and should be commensurate with the work of the Chief Executive Officer and the Company's financial performance. The CEO receives a fixed amount of basic salary.

4.2.3. The performance-based remuneration of the Chief Executive Officer, and the determination of such remuneration, the amount of any remuneration to be paid to him or her, or any other form of remuneration shall be determined by the Board of Directors.

4.2.4. Performance-based remuneration and bonus of the CEO

4.2.4.1. For performance-based remuneration - in addition to meeting the key figures in the business plan - only such condition can be defined as performance-based task that meets objectively determinable performance which goes beyond the expected expertise and care of the job.

4.2.4.2. Those performance-based forms of remuneration or reward shall be determined which contributes the achievement of the business and economic objectives and promotes the effective operation of the given year.

4.2.4.3. Specific tasks related to the remuneration or performance-based remuneration shall be determined annually by the Board of Directors. Performance-based remuneration or the basic rules on remuneration shall be determined at the same time as adoption of the business plan or - in justified event - after that. The specification shall include the total amount of the bonus or performance-based remuneration, the tasks to be performed, the proportion to which they are assigned, the time when any advance payment is due and the date of the valuation.

4.2.4.4. The fulfilment of tasks accounted for performance-based remuneration and bonus is evaluated annually by the Board of Directors. The final amount of performance-based remuneration or bonus being determined after the approval of the financial statements for the financial year.

4.2.4.5. The CEO receives an annual bonus in the form of a performance bonus, which is a share-based bonus. It is divided into two parts, and the amount of it is depending on the result of the business year:

- (a) a short-term incentive, up to a maximum of 40% of the annual fix remuneration
- (b) a long-term share-based benefit of up to 60% of his/her annual fix remuneration, provided that the CEO is employed by the company for 2 years after maturity and continues to meet the appropriate level of business targets.

4.3. Termination benefit of the Chief Executive Officer

4.3.1. The termination benefits of the CEO are governed by the provisions of the Labour Code.

Chapter 5

Decision-making process for defining, reviewing and implementing the Remuneration Policy

5.1. The Remuneration Policy is determined in accordance with the applicable laws and Article of Association of the Company and the resolutions of the Company's General Meeting.

5.2. The Remuneration Policy is prepared, approved and submitted to the General Meeting by the Board of Directors.

5.3. The Board of Directors may initiate a revision of the Remuneration Policy, in which case it shall submit a proposal for amendment of the Remuneration Policy to the General Meeting.

5.4. The Board of Directors is responsible for the implementation of the Remuneration Policy.

5.5. The Board of Directors shall act in accordance with its Rules of Procedure in the decision-making procedures relating to the Remuneration Policy. The member whose remuneration may be affected by the decision shall not be entitled to vote.

Chapter 6

Final provisions

6.1. The Remuneration Policy shall enter into force upon approval by the General Meeting.

6.2. Following the approval of the Remuneration Policy, it shall be disclosed in accordance with the applicable disclosure rules of the Company.

Sárszentmihály, on the day of 23 April 2020

Attachment:

Table of the members of the Board of Directors and the management, the beginning and termination of their legal relationship on 23 April 2020 (on the date of the Remuneration Policy).

CLAUSE:

The **MASTERPLAST Nyilvánosan Működő Részvénytársaság** (seat: 8143 Sárszentmihály, Árpád u. 1/A., hereinafter referred to as „Company”) by the decisions of its Board of Directors made within the competence of the General Meeting according to the Government Decree 102/2020. (IV.10.) made the following resolutions on 23 April 2020:

10/2020. (04.23.) resolution of the Board of Directors in the competence of the General Meeting:

With unanimous vote the Board of Directors of the Company approves the remuneration policy according to the Act LXVII of 2019 in alignment with the content proposal.

ATTACHMENT

Table of the members of the Board of Directors and the management, the beginning and termination of their legal relationship on 23 April 2020 (on the date of the Remuneration Policy).

Name	Assignment	Beginning of legal relationship	Termination of legal relationship
Dávid Tibor	President of the Board of Directors	03.04.2008.	30.04.2020.
Balázs Ács	Vice-President of the Board of Directors	03.04.2008.	30.04.2020.
András Gábor Kazár	Member of the Board of Directors	24.04.2013.	30.04.2020.
György Dr. Martin-Hajdu	Member of the Board of Directors	01.05.2014.	30.04.2020.
Dirk Theuns	Member of the Board of Directors	01.05.2014.	30.04.2020.
Róbert Nádasi	CEO	01.08.2018.	indefinite term