

Magyar Telekom Plc.

Central Work Council
Telecommunications Trade Union
Hungarian Telecommunications
Branch Trade Union
T-Net Trade Union

Magyar Telekom Plc.'s Equal Opportunities Plan
for the Period from January 1, 2013 to December 31, 2015



2012.

Magyar Telekom Plc.'s Equal Opportunities Plan for the Period from January 1, 2013 to December 31, 2015.

prepared on the one hand by **Magyar Telekom Public Limited Company** (hereinafter: Employer or Company or Magyar Telekom Plc.), represented by Christopher Mattheisen Chairman-CEO and Éva Somorjai Chief Human Resources Officer

and, on the other hand, the interest organizations of Magyar Telekom Plc.:

- Trade Unions with representation in Magyar Telekom Plc:
 - **Telecommunications Trade Union** (hereinafter: TÁVSZAK) represented by Attila Bujdosó Chairman
 - **Trade Union of the Hungarian Telecom Industry** (hereinafter: MATÁSZ). represented by: Béla Rátkay Chairman (authorised Mr. Attila Bujdosó, Chairman, to sign the Equal Opportunities Plan)
 - **T-Net Trade Union** (hereinafter T-Net) represented by Lajos Szatmári temp. chairman

- **Central Workers' Council** (hereinafter KÜT) represented by: Tamás Lichnovszky Chairman

(hereinafter referred to collectively: Parties

PREAMBLE

Parties adopt an equal opportunities plan for respecting the principles of equal treatment, for the promotion of equal opportunities and for monitoring and improving the employment of certain underprivileged groups of employees, on the basis of the possibilities set out in Act CXXV, 2003 on equal treatment as well as the practices implemented by Magyar Telekom Plc. since September, 2010.

1. Scope of the Equal Opportunities Plan

1.1. Term

Parties accept the Equal Opportunities Plan for a definite term to last from **January 1, 2013** until **December 31, 2015**.

Parties aim to accomplish the undertakings set out in the Equal Opportunities Plan by December 31, 2015. Parties may jointly decide to amend or extend the deadline of certain actions if necessary, in the framework of the Equal Opportunities Committee.

1.2. Personal effect

The equal opportunities plan covers all employees of the Company, and, with respect to specific principles, aims and measures—and taking into consideration the form of employment and the deviations specified in legislation—as well as the individuals participating in the preliminary hiring procedure.

1.3. Subject matter

The equal opportunities plan contains the definition of the employee groups targeted by the equal opportunities measures of the Company, as well as the aims, tasks and responsible organisational units and persons that serve the improvement of their situation.

2. Basic principles

Pursuant to the principles set forth by the Constitution of the Republic of Hungary, Act CXXV of 2003 on the equal treatment and on promoting equal opportunities, Act I of 2012 on the Labor Code, Act IV of 1995 on the Civil Code, Act LXXVII of 1993 on the rights of national and ethnic minorities, Act XXVI of 1998 on the rights and equal opportunities of disabled individuals, Group Directive 1396 of DT Group and Magyar Telekom Group on employee relations, Magyar Telekom's Diversity Policy and Social Charter the Company deems necessary the assertion of the following basic principles to ensure equal treatment and equal opportunities in the course of the implementation of its equal opportunities plan.

The terminology associated with equal opportunities, the types of behaviors that breach the principle of equal treatment and forms of negative discrimination are contained in **Annex 1 of the equal opportunities plan**.

2.1. The assertion of the prohibition of discrimination, and the requirement of equal treatment

In course of employment the Employer asserts the requirement for equal treatment, prevents and prohibits negative discrimination of employees and abstains from any conduct that may result in direct or indirect, negative discrimination, reprisal, harassment or unlawful segregation of certain employees or groups of employees on the ground of certain features (see section 4, Annex 1). (See: Section 3-8 of Annex I).

In line with the "Respect and integrity guide our behavior" guiding principle we expect that all managers and employees show mutual respect, appreciation and integrity in their relations. We do not tolerate any type of discrimination, harassment or segregation and we are expressly committed to promote equal opportunities and diversity of our employees.

Parties place on record that certain necessary discrimination that clearly results from the type or nature of employment and is based on a lawful condition shall be permitted.

2.2. Equitable and flexible treatment, diversity

Parties place on record that the prohibition of discrimination and the respect for the principle of equal treatment does not on its own ensure the elimination of all eventual inequalities that may be faced by those who are employed by or work for Magyar Telekom Plc. in some other form of employment relationship. We are convinced that diversity is a business value thus our employees' skills and personality promotes our technological renewal - and through this - our business success. Our human resources, talent management policy and practice both appreciate the potential and experience of various persons. Therefore Parties subscribing to this equal opportunities plan work out positive, equitable and flexible measures and operate bodies and forums that reveal eventual problems and promote the improvement and reinforcement of the positions of the persons concerned. They seek together the possibilities to define additional equal opportunities targets and tasks, and to implement possible benefits and actions.

2.3. Respect for human dignity, ensuring a healthy and safe working environment

The Employer will respect human values, dignity and diversity of the employees in the course of employment. The Employer will take into consideration its own interests and the interests of the employees, coordinate such interests and create such labour conditions, environment and a workplace atmosphere that may contribute to the preservation and enhancement of these basic values. We assume responsibility for protecting our employees and environment.

We believe that health and safety are important preconditions of the company's success, play an important role in the employees' satisfaction and our corporate culture and may also have an impact on cost efficiency as well. The protection of the safety and life of our colleagues is always a priority over economic considerations. Therefore we think in advance and study the relevant international laws that we deem as minimum requirements but often overperform these targets. We do not only focus on the protection of our employees' health but also foster their mental health.

We continuously work to improve health and safety conditions and actively involve our employees in the realization of these measures. Our objectives include the elaboration of a modern corporate governance system that safeguards the success of our health and safety policy.

2.4. Partnership, cooperation

In the frame of employment the Employer aims to implement the principle of partnership. For this purpose the Employer creates transparent contractual relations by bearing in mind the aspects of mutual advantages. The Company respects the employees' and/or the employees' lawful representation bodies' rights as well as the right of freedom to organize and to act collectively. The Company does not limit and does not force its employees during the exercise of these rights.

Beyond this the Company is committed to mutual trust and honor based cooperation thus in order to successfully realize the employer's equal opportunities plan it cooperates with the employees' interest representation bodies.

2.5. Social Solidarity

In the employment no employee of any age, gender, nationality, marital or health status is more valuable for the society than the other. All members of the society are interested in the reinforcement of solidarity. Magyar Telekom Plc, as a committed representative of social responsibility, promotes within its means the endeavors of civil organizations to provide equal opportunities for underprivileged social groups.

3. Compliance with the company's other guidelines and strategic objectives on equal opportunities

When determining the Equal opportunities plan's objectives for the 2013-2015 period it was an important viewpoint to harmonize them with the tasks specified in other guidelines and strategies. The documents that were relevant to this harmonization process were as follows:

- Magyar Telekom Plc.'s Human strategy for 2011-2015
- Magyar Telekom Group's Sustainability Strategy for 2011-2015
- Magyar Telekom Plc.'s Equal opportunities plan for 2011-2012

The objectives and tasks included in the above referred documents have been incorporated and worded in this Equal opportunities plan in a harmonized and coordinated way.

4. Identifying the target groups of employees for equality measures

In this present Plan of equal opportunities of the Company for 2013-2015 –also taking into consideration the experiences from the previous equal opportunities plan period—the Corporation intends to exert effort to improve equal opportunities especially of the following target employee groups, with the remark that certain overlaps may occur between the selected groups and the list will not be considered as an order of ranking. Nor is the list comprehensive and exclusive as the corporation's employees may be at a disadvantage for other reasons as well (see section 4, Annex I.). For this particular reason the employer pays a special attention to continuously monitoring all the aspects and, accordingly, the way the situation of the affected employee groups works out, on the basis of which a particular group of employees may happen to be at a disadvantage or exposed to negative discrimination and aims to take the necessary measures to prevent such situations.

In the course of the implementation of the equal opportunities plan for the years of 2013-2015 the employer is especially contemplating to take measures to improve the situation of the following employee target groups:

- a. Women,
- b. Employees with a family¹, in particular:
 - Raise three or more children under 18 years of age,
 - Raise their children alone,
 - Raise disabled children,
 - Employees who care for a permanently ill family member
- c. are on maternity leave or childcare benefit (GYES/GYED**),
- d. Disabled employees or whose ability to work has deteriorated,²
- e. Career entrants,
- f. Employees above the age of 50,
- g. Female employees in managerial positions.

5. Surveying the status of the employee target groups of equal opportunities measures

Magyar Telekom Plc.'s In order to justify its Equal opportunities plan for 2013-2015 and to enable the evaluation of its implementation, Magyar Telekom Plc. prepared a statistical report on the effected target groups on the basis of the data contained in the HR registration system's (SAP HR) status on August 31, 2012 as well as the indicative information from the equal opportunities survey made in August, 2011.

¹ Employees with a family: an employee raising at least one child under 18,

² Disabled employees or employees whose ability to work has decreased by at least 50%,

5.1. Statistical data

The number of employees at Magyar Telekom Plc. was **7827** on August 31, 2012. According to information available in the SAP HR and the non-exhaustive information of the equal opportunities survey the headcount ratios of employees specified as target employee groups for the equal opportunities plan are as follows:

Target group	Headcount (persons)	Ratio compared to the total headcount (%)	Internal ratio (%)	
			Men	Women
Female employee headcount	3187	40.7 %	-	100 %
Employees with family ^{3*}	3497	44.7 %	62.7 %	37.3 %
<ul style="list-style-type: none"> ▪ Raising 3 or more children under 18 ▪ Raising their children alone ▪ Raising disabled children, ▪ Employees who care for a permanently ill elderly family member⁴ 	344	4.4 %	77.5 %	22.5 %
	115	Non applicable	19 %	81 %
	26	Non applicable	69 %	31 %
	221	Non applicable ⁵	51.5 %	48.5 %
On childcare leave (GYES/GYED/maternity leave)	415	5.3 %	0.7 %	99.3 %
Career entrants ⁶	865	11 %	45 %	55 %
50+ employees – employees above the age of 50	1067	13.6 %	60 %	40 %
Disabled employees or whose ability to work has deteriorated (persons) ⁷	23	0.29 %	47 %	53 %
	Headcount	Ratio within the base group	Man (%)	Woman (%)
Female managers in the centrally defined (by DT) position categories	186	26.3 %	-	100 %

5.2. Evaluation

According to available data it can be established that the largest employee target group from among the ones specified in the Equal Opportunities Plan is that of **employees with a family** (44.7 %) and **women** (40.7 %). For the purposes of this document the term "employee with a family" means an employee raising at least one child under 18. It can therefore be assumed that it will be the measures and programs that are associated with these target groups that will have the most obvious and well-received positive impact that may have the biggest impact on employee satisfaction and the employer's brand.

An also relatively high proportion among the corporation's employees with a family are in a "special" situation. Based on the registration data those who raise **three or more children under 18 (4.4%)** and those **on childcare leave** (compared to the active headcount (5.3%) constitute the biggest target group. They remain a very important target group of the Company's equal opportunities efforts in 2013-2015 and

³ Employees with a family: an employee raising at least one child under 18,

⁴ Based on the answers of the non-representative equal opportunities survey as of August, 2011

⁵ As the data are based on the August, 2011 voluntary and non-exhaustive survey the comparison to the total headcount can not be interpreted as authenticated information

⁶ Career entrants: Employee under the age of 28 whose employment at MT Plc. is shorter than 3 years

⁷ Based on the voluntary report to the Company by registered, disabled employee or whose ability to work has deteriorated with at least 50% as shown in the SAP HR registration system

although the most measures were made to support employees with families the primarily objective remains to sustain and further operate these measures for this target group.

Regarding the number of employees who **raise their children alone or care for a permanently ill family member or raising disabled child** our data are based on the voluntarily answers to the equal opportunities survey, dated 2011, August, that reflect only the order of magnitude of these data. Based on this information the number of employees who care for a permanently ill family member or raise disabled child justifies to take specific measures in these target groups. In order to obtain a more precise basis for measures to improve the equal opportunities of families in „special life situations” within the Equal opportunities plan for 2013-2015 another survey is to be completed.

It is not due to their headcount ratio but rather due to the intention of Magyar Telekom Plc to render its equal opportunities more open and to establish an employment practice that promotes equal opportunities that **disabled applicants and employees or those whose ability to work has deteriorated** constitute an especially significant target group in the 2013-2015 Equal Opportunities Plan. We remain to focus our efforts and take measures to ensure that the employment of disabled employees be an integral part of the general employment practice as well as our HR tools and assets.

The objective of the treatment of employees above the age of 50 (13.6%) and career entrants (11%) as a separate target group in the Equal opportunities plan is to continuously ensure the diversity of the employee pool.

The increase of the ratio of women in management positions is an objective set by the mother company that - besides enhancing the diversity of the management - is a commercial advantage, as proven by more and more studies.

6. Specific equal opportunities targets and plans of action

To improve the position of the underprivileged employee groups specified in this Equal Opportunities Plan, to continuously improve its system and tools related to the assurance of equal treatment, and to eliminate any eventually existing shortcomings, the Employer, with the cooperation of the employee interest representation bodies, makes undertakings regarding the equal opportunities targets and equal opportunities measures described in detail below and **Annex II** thereto.

7. Data controlling

In order to ensure the success of the achievement of the targets and implement the measures set out in the equal opportunities plan for 2013-2015, Magyar Telekom Plc. may keep and compile a registration for statistical purposes of the target groups specified in the equal opportunities plan (section 3) of employees of Magyar Telekom Plc. and other persons who work for the company.

Exclusively data served voluntarily by the employees and handled in a fully compliant manner with data protection regulations can be involved in the registration, with respect to which those employed by

Magyar Telekom Plc. or who otherwise work for the company have provided their specific consent in writing. Special personal data involved in the registration may only be handled in compliance with the provisions of Act CXII of 2011 on information self-determination and freedom of information and until the last day of the period of validity covered by this equal opportunities plan.

8. Tracking the implementation of the equal opportunities plan

The equal opportunities referent prepares at least once a year a report on the implementation of the tasks and submits the same for approval by the Equal Opportunities Committee. The Equal Opportunities Committee, beside the approval of the report, may propose additional targets and measures in order to improve the equal opportunities of the target groups specified in the equal opportunities plan, on the basis of the experiences of the previous period of time. During the validity of the equal opportunities plan it will also be the Equal Opportunities Committee that decides in the matter of any eventually necessary modification of the targets, measures and tasks set out in the equal opportunities plan or the modification of their deadline.

The equal opportunities referent shall at least in every year provide information to the Chief HR officer of the corporation about the status of the tasks set out in the equal opportunities plan and the corporation's activities related to equal opportunities and diversity.

9. Assurance of making complaints for violation of the equal treatment principle

In the event of any violation of the requirement of equal treatment as well as direct or indirect negative discrimination, retaliation, harassment or illegal separation (for definition of terms see the Annex) the employee or a group of employees may lodge a complaint at the employer Magyar Telekom Plc, prior to initiating the procedures ensured for them through Act CXXV, 2003 on equal treatment and the promotion of equal opportunities (e.g. personality right procedure, labour court procedure, procedure by the authorities responsible for consumer protection, labour issues and offenses), through the „Mondd el!” (Tell me!) ethical complaints procedure operated by the Compliance Area.

Magyar Telekom's Mondd el! ethical line can be accessed via:

Address: Group Compliance Manager 1013 Krisztina krt. 55.

Telephone: +361 458 7780

E-mail: mondd.el@telekom.hu

Anonymous complaints can also be submitted. Complaints can be submitted in Hungarian or, (by international employees) in English.

Main principles applied in the investigations of complaints and findings on fraud and violation of rules

- Magyar Telekom Group guarantees that the identity of employees who makes the complaint remains confidential during and after the procedure.
- Any person involved in such procedures - in compliance with his respective obligations and to the fullest possible extent - is obliged to secrecy and anonymity with regard to all complaints and findings as well as to all information and documents generated during the respective measures.
- Magyar Telekom Group does not initiate any legal action against any employee who makes a report on suspected misconduct.
- The Group Compliance Manager supervises all incoming comments and accounting related complaints.

For more detailed information regarding the examination of the remarks/complaints received and the rules applicable to them (deadlines, procedure, etc.) see Annex 3 of the Code of Operation (CEO Group Directive) ([426 link: http://mtszab/docform.aspx?itemID=8439&ControlMode=Display](http://mtszab/docform.aspx?itemID=8439&ControlMode=Display))

The Compliance Branch also involves relevant HR employees in the examination of the complaints having been received on the violation of equal treatment.

The Compliance Manager shall provide information, if the equal opportunities referent or the Equal Opportunities Committee so require, about the nature of the complaints submitted due to the violation of equal treatment, as well as the results of the investigations into these complaints.

Parties record that the submission of a complaint does not hinder the employee in taking legal steps through availing of the legal means at their disposal.

10. Closing provisions

Parties agree that once this equal opportunities plan is signed the employer will take care of its publication and having the corporation's employees familiarize with it.

Parties note that they will endeavor to accept the equal opportunities plan for the next period, i.e. the period following year 2015, by **December 31, 2015**.

Parties have perused this agreement brought about to ensure equal opportunities and treatment on the job, and after jointly interpreting its provisions, they signed it as being in full concordance with their desire.

Budapest, 2012.

On behalf of the Employer:

On behalf of the Representations of employees' interests:

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Christopher Mattheisen

Tamás Lichnovszky

Chairman-CEO

Central Work Council
Chairman

.....
Éva Somorjai
Chief Human Resources Officer

.....
Attila Bujdosó
Chairman of the Telecommunications
Trade Union based on the
authorization of the Hungarian
Telecommunications Branch Trade
Union

.....
Lajos Szatmári
T-Net Trade Union
temp. Chairman

Definition of Terms

1. Equal Treatment:

Pursuant to the requirement for equal treatment the obligated party is required to refrain from any behavior resulting in direct or indirect discrimination, revenge, harassment or unlawful segregation of individuals or groups of individuals on the basis of certain traits. Basically the requirement for equal treatment means a negative obligation on the one hand: the obligated Parties shall not breach the dignity of others. ON the other hand, for the eligible Party it can result in a universally enforceable requirement of the Parties to be treated as a personality of equal dignity.

(Explanation to Act CXXV, 2003 on equal treatment and enhancement of equal opportunities)

2. Equal opportunities:

Nevertheless, if the individuals being in an obviously underprivileged position were formally treated as equal, it would result in conservation of the disadvantageous position. So that the individuals being in underprivileged position could bridge this gap it is not enough to grant them equal rights but they need positive discrimination, which allows them to diminish or terminate the disadvantage inherent to their position. According to the resolution of the Constitutional Court, however, none of the individuals will raise an enforceable demand for positive discrimination that would promote equal opportunities against the requirement of equal treatment.

(Explanation to Act CXXV, 2003 on equal treatment and enhancement of equal opportunities)

3. Conduct violating the requirement of equal treatment

Act CXXV, 2003 on equal treatment and promotion of equal opportunities defines the scope of conducts that infringe upon the requirement of equal treatment:

- direct negative discrimination,
- indirect negative discrimination,
- harassment,
- unlawful segregation,
- revenge,

and any instruction given thereto.

4. Direct (open) negative discrimination

A resolution resulting in negative discrimination of an individual or group as compared to the position in which any comparable individual or group is, was, or would be on the grounds of his/her actual or alleged

- a) gender,
- b) racial affiliation
- c.) color
- d.) nationality
- e.) national or ethnic identity
- f.) mother tongue
- g.) disability
- h.) health status
- i.) religious or ideological belief
- j.) political or other opinion
- k.) marital status
- l.) maternity (pregnancy) or fatherhood

- m.) sexual inclination
- n.) sexual identity
- o.) age
- p.) social origin
- q.) financial status,
- r.) part time employment relation or any other work contract of definite term
- s.) membership in interest organization
- t.) other status, feature or trait (hereinafter: feature)

will qualify as direct, negative discrimination.

(Section 8 of Act CXXV of 2003 on equal treatment and enhancement of equal opportunities)

5. Indirect (hidden) negative discrimination

A resolution not qualifying as direct negative discrimination, which is in apparent compliance with the requirement for equal treatment while it brings significantly higher rate of the individuals and groups of features stipulated in Article 8. (see the above section) to a significantly worse situation than the position in which another comparable individual or group of individuals is, was or would be, qualifies as indirect negative discrimination.

(Section 9 of Act CXXV of 2003 on equal treatment and enhancement of equal opportunities)

6. Harassment

Sexual or other action associated with the features of the affected person specified in Article 8, which hurts human dignity, will be considered as harassment as far as it aims at or results in creating a threatening, humiliating, hostile, shameful or attacking environment for any other person.

(Section 10 of Act CXXV of 2003 on equal treatment and enhancement of equal opportunities)

7. Unlawful segregation

A resolution which segregates particular individuals or a group of individuals from other persons or group of persons being in comparable position on the ground of the features specified in Article 8 qualifies as unlawful segregation unless it is explicitly permitted by law.

(Section 10 (2) of Act CXXV of 2003 on equal treatment and enhancement of equal opportunities)

8. Retaliation

A resolution which segregates particular individuals or a group of individuals from other persons or group of persons being in comparable position on the ground of the features specified in Article 8 qualifies as unlawful segregation unless it is explicitly permitted by law.

(Section 10 (3) of Act CXXV of 2003 on equal treatment and enhancement of equal opportunities)

9. Disabled person:

An individual who has substantially impaired hearing or vision, disability of movement, significantly defective mental abilities or who is restricted in communication will qualify as disabled person as far as this status causes significant disadvantage in active participation in the life of the society.

(Article 4, Act XXVI, 1998 on the rights of disabled persons and on granting equal opportunities for them.)