

Remuneration guidelines

The General Meeting of Magyar Telekom Plc. held on April 2, 2009 approved the following guidelines regarding the remuneration and evaluation of the work performed by the Board of Directors (BoD), the Supervisory Board (SB), the Audit Committee (AC) and the management (Management Committee).

1. Board of Directors

- Members of the BoD are compensated by fee.
- The amount of the fee is determined by the GM.
- The amount of the fee is determined upon consideration of domestic market benchmark data.
- The fee may be revised upon initiative by the Remuneration Committee.
- Members elected from the management of the strategic investor waive their fees, and the members elected from the company's management donate their fees to charitable purposes.
- The BoD evaluates its activities along predefined aspects (strategy, business performance, compliance, efficiency, dividend policy, information flow...) annually.
As part of this evaluation, the BoD also reviews the self evaluation performed by individual BoD members along predefined aspects.

2. Supervisory Board

- Members of the SB are compensated by fee.
- The amount of the fee is determined by the GM.
- The amount of the fee is determined upon consideration of domestic market benchmark data.
- The fee may be revised upon initiative by the Remuneration Committee.
- Members elected from the management of the strategic investor waive their fees.
- On the basis of reviewing each tasks defined by its Rules of Procedures, the SB evaluates the work done in order to accomplish the specific tasks in course of the given year, and determines which activity (activities) need(s) to be improved.
As part of this evaluation, the SB evaluates the skills and experience of each SB member, which are relevant to performing their SB tasks.

3. Audit Committee

- Members of the AC are compensated by fee.
- The amount of the fee is determined by the GM.
- The amount of the fee is determined upon consideration of domestic market benchmark data.
- The fee may be revised upon initiative by the Remuneration Committee.
- On the basis of reviewing each tasks defined by its Rules of Procedures, the AC evaluates the work done in order to accomplish the specific tasks in course of the given year, and determines which activity (activities) need(s) to be improved.

4. Management

- The Remuneration Committee makes recommendations, upon consideration of domestic remuneration benchmark data, as to the size of specific elements in remuneration packages. Decision is made by Magyar Telekom's Board of Directors
- Remuneration packages are reviewed once a year.
- Remuneration packages consist of the following elements:

Basic salary

Fixed amounts of compensation determined for individuals varying according to the individual's position and performance, paid in equal monthly amounts.

Variable pay

The annual bonus is defined as a certain percentage of the basic salary payable pro rated to the achievement of the personalized bonus targets defined before the start of the business year, derived from Magyar Telekom Group's strategic targets. For each target, specific ranges from underachievement to overachievement are defined, along with the curve of payment on performance within the range.

Annual targets and the evaluation of their achievement are to be approved by the BoD on the basis of the submission by the Remuneration Committee.

Fringe and social benefits

Fringe benefits (e.g.: company car, mobile phone, managerial insurance etc.) are determined upon consideration of domestic benchmark data and the principles of cost efficiency.

Fringe and social benefits are granted in compliance with the relevant stipulations of Magyar Telekom's Collective Agreement and policies.

- The performance and potential of individual management members are evaluated annually along predefined aspects and procedures.