

**RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF
MAGYAR TELEKOM PLC.**

June 10, 2020

1. GENERAL PROVISIONS

- 1.1. The Supervisory Board (hereinafter the “**SB**”) of Magyar Telekom Telecommunications Public Limited Company (hereinafter the “**Company**”) operates based on these Rules of Procedure.
- 1.2. The Rules of Procedure shall be interpreted with a common-sense approach, in accordance with mandatory provisions of the Civil Code and other applicable laws, as well as with the provisions of the Articles of Association of the Company. The Corporate Governance Recommendations of the Budapest Stock Exchange as amended from time to time shall be considered and complied with to the highest possible extent in the operations of the SB.
- 1.3. For the purposes of the Rules of Procedure, the expression ‘in writing’ shall include both hard copies and electronic copies of documents. Notices to SB members may be sent by mail or courier to the address or by e-mail to the e-mail address communicated for this purpose by the SB members. Notices shall be deemed as delivered upon confirmation of receipt, except in case of e-mails which shall be deemed as delivered at the end of the day they are sent.
- 1.4. The Rules of Procedure shall be approved by the SB in Hungarian and English language versions. In case of discrepancies, the Hungarian version shall prevail. Notices, submissions, minutes and other documents referred to in the Rules of Procedure shall be prepared in Hungarian or in English. Submissions prepared only in English language shall be translated into Hungarian upon the request of any SB member. In case of bilingual submissions, the Hungarian language version shall prevail in the operation of the SB. Meetings of the SB shall be conducted in Hungarian.

2. ORGANISATION

- 2.1. The SB shall elect from among its members the Chairperson of the SB (and, if deemed necessary by the SB, the Deputy Chairperson) with majority vote. Nominations may be made by any member of the SB.
- 2.2. Tasks of the Chairperson, or in their absence, the Deputy Chairperson:
 - (i) convening the meetings of the SB,
 - (ii) proposing a closed meeting to be held,
 - (iii) nominating the keeper of the minutes and the SB member who authenticates the minutes, puts issues on the vote and announces the result of the voting,
 - (iv) ensuring that materials for any circular resolution are distributed,
 - (v) deciding on the invitation of ad hoc participants to Board meetings,
 - (vi) deciding on the notice period to be applied in case of urgency,
 - (vii) chairing meetings. Should both the Chairperson and the Deputy Chairperson be absent, the meeting shall be chaired by a SB member requested by the Chairperson.
- 2.3. The administrative tasks related to the operation of the SB shall be performed by supporting persons appointed within the work organisation of the Company (hereinafter the “**Secretariat**”). Tasks of the Secretariat:
 - (i) supporting the Chairperson in carrying out their tasks,
 - (ii) providing administrative and technical conditions required for the operation of the SB, including document management tasks,

- (iii) providing information and coordinating within the Company in relation to the operation of the SB.

3. PROCESS OF PASSING SB RESOLUTIONS

- 3.1. Resolutions may be adopted by the SB at a meeting or in writing, without holding a meeting (circular resolutions).
- 3.2. The SB shall have four (4) regular meetings every year, based on a work plan to be adopted by the end of the previous calendar year. Extraordinary meetings may be initiated by any SB member with giving appropriate reasons.
- 3.3. Other than the SB members, the following persons shall be permanent invitees to the SB meetings:
 - (i) the Chief Executive Officer,
 - (ii) the Chief Financial Officer and/or other Chief Officer delegated by the Chief Executive Officer;
 - (iii) head of the Company's Internal Audit organization;
 - (iv) chief legal counsel of the Company;
 - (v) permanent delegate delegated by the Chairperson of the Board of Directors;
 - (vi) representatives of the Secretariat.
- 3.4. Other than the SB members and the permanent invitees, the statutory Auditor of the Company can be an ad hoc invitee to the SB meetings if the SB initiated his hearing at the meeting, or if the statutory Auditor requests to participate at the SB meeting. Any SB member may propose the ad hoc invitation of persons other than the ones listed above.
- 3.5. If justified due to the sensitive nature of a matter, the SB may with a simple majority vote of the members present and based on the proposal of the Chairperson hold closed sessions, where only SB members, the keeper of the minutes and persons explicitly invited by the Chairperson shall be present.
- 3.6. Invitations to SB meetings shall be sent in writing, preferably on the fifth (5th) business day prior to the date of the meeting.
- 3.7. The invitation to a SB meeting shall contain
 - (i) the date, time and place of the meeting, and
 - (ii) the proposed agenda of the meeting.
- 3.8. Submissions to the agenda items, including resolution proposals, shall be sent to the members of the SB preferably at the same time when sending the Invitation, but no later than the working day before the SB meeting. The agenda may contain items for decision and items for information purposes. In case of decision items, the SB passes a resolution. In case of information items, no resolution is passed, but the minutes of the meeting shall record that the relevant information was given to the SB.
- 3.9. Any SB member may submit items for the agenda.
- 3.10. The SB may discuss and vote on a matter not on the proposed agenda as distributed prior to the meeting, provided that all SB members are present at the meeting and agree that the matter should be added to the agenda.
- 3.11. The SB has a quorum if 2/3 of the elected members but at least 3 members are present at the meeting, regardless of whether they are attending in person or participating by means of any

electronic communication enabling direct and simultaneous discussion between the participants of the meeting. Quorum shall be monitored throughout the meeting.

- 3.12. If the meeting does not have a quorum it shall be re-convened within 15 days.
- 3.13. Resolutions of the SB are adopted with simple majority of the votes of members present. Each SB member has one vote; the vote may be in favour or against the resolution proposal and members may abstain from voting.
- 3.14. Resolutions of the SB shall be effective as of the date they are adopted, unless otherwise stated in the resolution.
- 3.15. Minutes of SB meetings shall be taken by the Secretariat in Hungarian and if necessary, it must be translated to English. In case of any conflict between the Hungarian and the English version, the Hungarian version shall prevail.
- 3.16. For the purposes of keeping accurate minutes, meetings shall be – unless otherwise decided by the Chairperson of SB - voice recorded.
- 3.17. The minutes of the meeting shall contain:
 - (i) the date, time and place of the meeting,
 - (ii) names of the participants with a reference to the way of participation (personal or by electronic means),
 - (iii) the agenda,
 - (iv) names and signatures of the SB member chairing the meeting, the keeper of the minutes and the SB member appointed to be authenticator of the minutes,
 - (v) main events of the meeting,
 - (vi) resolutions and a breakdown of the votes (yes, no, abstention).
- 3.18. At the request of any participant the contributions, opinions and objections shall be recorded in the minutes verbatim.
- 3.19. The minutes are signed by the Chairperson (Deputy Chairperson) and the keeper of the minutes and are authenticated by the SB member appointed to be the authenticator of the minutes.
- 3.20. Following authentication, the minutes shall be sent in Hungarian (together - if necessary – with an English translation) to all SB members and to persons who were invited to the discussion of specific agenda items. SB members may query the accuracy of comment on the Minutes and, including its translation, within 15 days upon receipt.
- 3.21. The authenticated minutes of closed meetings can only be distributed with the consent of the Chairperson to other persons than the members of the SB and the invitees to the closed meeting.
- 3.22. In case of circular resolutions, the submission including the proposed resolution is sent to SB members in writing, who in turn cast their votes in writing. Circular resolutions can be initiated by the Chairperson of the SB or if no Chairperson and Deputy Chairperson were elected yet, by any member of the SB. A circular resolution is passed if the majority of SB members vote in favour of the resolution proposal by the deadline. Votes cast by SB members in writing shall be attached to the memorandum prepared by the Secretariat on the circular resolution. Provisions of this section 3 of the Rules of Procedure shall apply accordingly to passing circular resolutions. The date when a circular resolution is passed shall be the last day of the voting deadline, or, in exceptional cases, if the Chairperson so determines, the day when the majority of SB members voted in favour of the

resolution proposal. The resolution and its approval by the respective SB members shall be handled according to the rules on the minutes.

- 3.23. In case of extraordinary meetings and circular resolutions, a notice period (or voting deadline, as the case may be) shorter than the one set out in section 3.6 may be applied, if this is justified by the urgency of the matter, such justification being in the sole discretion of the Chairperson.

4. SCOPE OF AUTHORITY OF THE SUPERVISORY BOARD

Without prejudice to its scope of authority set out in the Articles of Association of the Company, the Civil Code or other applicable laws, the SB shall have the tasks set out in this section.

- (i) Reviewing, discussing and evaluating:
 - a) the quarterly report of the Board of Directors prepared for the SB on the management, the financial status and the business policy of the Company.
 - b) the annual self-evaluation of the Board of Directors; and
 - c) matters related to the strategy and business plans of the Company.
- (ii) Supervising the financial reporting system, selecting and cooperating with the Statutory Auditor.
- (iii) Supervising the effectiveness of risk management and the operation of the internal control system.
- (iv) Supervising the Internal Audit activities of the Company, including:
 - a) the approval of the Internal Audit Work Plan of the Company;
 - b) the discussion of the reports on the auditing activities;
 - c) opining on the decisions related to the establishment and termination of employment of the head of the Internal Audit organization, and the determination of their remuneration.
- (v) Supervising the compliance activities of the Company in accordance with the scope described in the Corporate Compliance Program Manual and the related directives and policies, whereby the SB opines on the decisions related to the establishment and termination of employment of the head of the Compliance organization, and the determination of his/her remuneration.
- (vi) Establishing procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (vii) If necessary, conducts an internal investigation into matters that relate to questionable accounting, internal accounting controls or auditing matters.

5. OTHER PROVISIONS

- 5.1. To prepare its position on certain issues the SB may set up committees – comprised from its own members – on a permanent or an ad hoc basis. The Rules of Procedure of the permanent committee (rules of operation) shall be established by such committee and shall become effective upon its approval by the SB.
- 5.2. SB members shall notify the SB within 15 days in the event they are offered a membership in a supervisory board or a board of directors or offered an executive management position at another company and also whether they accepted the position.
- 5.3. SB members are bound to keep business secrets of the Company.

FINAL CLAUSE

These Rules of Procedure were approved by the SB on June 10, 2020 with resolution no. 3/3 (06.10.2020).