DOCUMENTS FOR THE GENERAL MEETING

ANNUAL GENERAL MEETING OF
MOL HUNGARIAN OIL AND GAS
PUBLIC LIMITED COMPANY

TO BE HELD ON 28 APRIL, 2022

Date and venue of the AGM: 28 April, 2022, 10 a.m.
Budapest Music Center
(1093 Budapest, IX. district, Mátyás street 8.)

Dear Shareholder,

The Annual General Meeting of the Company was convened by the Board of Directors of MOL Plc. for 28 April 2022, 10 a.m., whose agenda is contained in the announcement published as stipulated in the Articles of Association. The announcement was published on 28 March 2022 on the homepages of Budapest Stock Exchange and MOL.

Agenda items of the Annual General Meeting:

In case the general meeting does not have a quorum at the announced date and time, the Board of Directors hereby convenes the repeated general meeting with the same agenda on reconvened for the same day as the general meeting (28 April, 2022) at 11.00 a.m. at Budapest Music Center (H-1093 Budapest, IX. district, Mátyás street 8.). In accordance with Section 3:275 (1) of the Act V of 2013 on the Civil Code ("Civil Code"), such reconvened general meeting shall have a quorum with respect to issues originally put on the agenda, irrespective of the number of the shareholders present or represented.

The brochure contains an English language translation of the original proposals and information in accordance with the items on the agenda. The purpose of documents prepared for the General Meeting is to promote a better orientation of the particular items on the agenda and to provide information for the shareholders regarding the questions to be discussed at the General Meeting. Please see the original Announcement for additional information. In case the General Meeting does not have a quorum at the announced date and time, the repeated General Meeting shall discuss the same agenda items with the same Resolution proposals.

The present AGM document is published in Hungarian and English language and the Hungarian version shall prevail.

Technical remarks

Conditions for participation and exercising voting rights at the General Meeting:

In order to be registered in the Share Register in the course of the shareholders' identification, shareholders must comply with the Articles of Association of the Company ("Articles of Association") and the relevant laws, particularly, each shareholder shall declare whether he holds at least 2% of the Company's shares in accordance with Article 8.6 of the Articles of Association. According to Article 8.4 the Board of Directors shall refuse the registration of any shareholder into the share register if such shareholder fails to comply with the requirements specified by the Articles of Association.

The record date of the shareholders' identification shall be 19 April 2022. Based on the data resulting from the shareholder's identification the name of shareholders and shareholders' proxies (nominees) intending to participate in the general meeting shall be registered by the manager of the Share Register (KELER Zrt.) on **26 April 2022**, and upon instruction of the Board of Directors, KELER Zrt. **shall close the Share Register on 26 April 2022,** and no application for registration shall be accepted until the day following the closing of the general meeting. In line with the relevant provisions of law, only those persons may exercise shareholder's rights at the general meeting (participation in the general meeting, requesting information within the limits specified in the relevant laws, making remarks and proposals and voting) whose name is registered in the Share Register at 06.00 p.m. two working days before the starting day of the general meeting.

The securities account managers shall be responsible for registering the shareholders in the Share Register upon instruction of such shareholders. The securities account managers shall provide information to the shareholders on the deadlines for giving instructions to the securities account managers.

The Company shall not be liable for the performance of or the failure to perform the instructions given to the securities account manager. Shareholders may inspect and obtain information in respect of their registration in person (1074 Budapest, Rákóczi road 70-72., R-70 Office Building) - at the time as agreed previously via e-mail kelertesem@keler.hu - after identification. Closing the Share Register does not restrict the right of the persons registered in the Share Register to transfer their shares following the closing date. Transferring shares prior to the general meeting does not deprive the persons registered in the Share Register of their rights to participate in the general meeting and exercise their rights they are entitled to as shareholders.

The general meeting shall have a quorum if the holders of shares representing more than one-third of the voting rights are present. When determining the quorum, restrictions specified under Articles 10.1 and 10.2 of the Articles of Association shall be applied so that votes exceeding the 10% limit to which each shareholder is entitled shall be disregarded. Holders of registered ordinary shares shall be entitled to one (1) vote attaching to each „A" series share with a par value of HUF 125 (i.e. one hundred and twenty-five Hungarian forints) each subject to the restrictions specified in the Articles of Association. The "B" series preference share with a par value of HUF 1000 (i.e. one thousand Hungarian forints) entitles its holder to eight (8) vote in addition to the voting preference rights defined in the Articles of Associations.

Shareholders shall be entitled to participate in the general meeting either in person or through a proxy issued or by nominee (hereinafter collectively referred to as "nominee") in accordance with the provisions of the Civil Code and Act CXX of 2001 on the Capital Market.

Shareholders may give a power of attorney in an **official form ("proxy card")** as defined in Article 13.6 of the Articles of Association The form of the **Proxy Card**, comprising the proposed resolutions relating to the items on the agenda, may be downloaded from the website of the Company (https://molgroup.info/en/investor-relations/general-meeting#nav-authorisation-samples) from the day following the day of the official publication of the proposed resolutions.

The power of attorney for the nominee (including the power of attorney issued by a proxy card) shall be prepared in the form of a public document or a private document with full probative force taking into account any international agreement or reciprocity between Hungary (the Hungarian State) and the country where the document was issued. If the power of attorney is prepared in any language other than Hungarian a certified Hungarian translation thereof shall be attached. In case of shareholders other than natural persons, powers of representations of the persons signing the power of attorney or representing the shareholder at the general meeting shall be certified by appropriate original documents issued by a public authority or office (e.g. certificate of incorporation) or by a public notary. If the certification of the power of representation is in any language other than Hungarian a certified Hungarian translation thereof shall be attached.

The power of attorney (with the exception of the power of attorney issued by a proxy card) shall be deposited in accordance with Article 14.3 of the Articles of Association, at the latest during registration prior to the commencement of the general meeting. The power of attorney given by a proxy card shall arrive to the address of the Company (1117 Budapest, Október huszonharmadika u. 18.) by 27 April 2022 at the latest.

In case of holders of depository receipts ("DRs") issued under a foreign law, The Bank of New York Mellon, as the issuer of such DRs, shall be entitled to exercise rights of representation according to the Deposit Agreement concluded between it and the Company. Holders of DRs will be entitled to exercise their voting rights by a Letter of Proxy issued in favor of The Bank of New York Mellon as depositary, in accordance with the Articles of Association of MOL, the Deposit Agreement and applicable laws and based on the draft resolutions sent by the Board of Directors of MOL to the DR holders via The Bank of New York Mellon. We request DR holders to obtain information on the detailed rules of procedure at the customer service of the Bank of New York Mellon (240 Greenwich Street, New York, NY 10286, Tel: +1 212 815 5021, Fax: +1 732 667 9098, email: mira.daskal@bnymellon.com).

MOL Investors Relations Department will be pleased to be at your disposal for further information, as well (phone: +361 464 1395, fax: investorrelations@mol.hu).

The registration i.e. the certification of the right to participate as shareholder (nominee) will take place at the venue of the general meeting between 8.00 a.m. and 9.30 a.m.

We kindly request our shareholders to apply for registration on time. Following the closing of the registration, shareholders and nominees not listed in the attendance list, but registered in the share register, are entitled to participate in the general meeting, however, such shareholders may not exercise their voting rights. Shareholders whose voting right is suspended according to Article 8.6. of the Articles of Association are also entitled to participate in the general meeting, however, such shareholders may not exercise their voting rights.

Pursuant to the Articles of Association no shareholder or shareholder group (as defined under Article 10.1.2. of the Articles of Association) may exercise more than 10% of the voting rights at the general meeting with the exception of the organization(s) acting at the Company's request as depositary or custodian for the Company's shares or securities representing the Company's shares. Exemption from this restriction on voting rights shall be applicable to any depositary bank or custodian only if it can verify that the final beneficiary(s) entitled to exercise the shareholders rights associated with the shares and securities in deposit is (are) not subject to the restrictions specified in the Articles of Association.

Information regarding the procedure of the general meeting:

Shareholders, proxies of the shareholders and other authorized persons may participate in the general meeting. Audio and video recordings shall be made on the whole general meeting and we maintain the right to broadcast the general meeting via the internet. The Company deems that the participants, by their presence, give their consent to such recordings. Shareholders and proxies of shareholders who does not give their above mentioned consent, may stay at the designated place of the general meeting. Shareholders, proxies of the shareholders and other authorized persons are entitled to comment on the agenda only after the chairman of the general meeting (hereinafter referred to as: the Chairman) has given the floor to that person. Comments can be made validly only with the use of microphone, only comments made such way shall be recorded in the minutes. Shareholders and proxies of shareholders wishing to comment are requested to announce their name, the name of the shareholder represented by them, and the number of the voting machine before each comment. The Chairman may, in justified cases, limit the time period of the comments relating to the agenda items up to 3 minutes. With regard to the comments, only questions in connection with the agenda item may be asked. Questions, lawfully referred by shareholders towards the Board of Directors, the Supervisory Board and to the independent Audit Company, will be answered in the general meeting - within the legal framework - by the Chairman or by the appointed person or regarding the complexity of the question within reasonable time, in writing , published on the website of the Company.

The language of the general meeting shall be Hungarian, therefore the resolution proposals shall be made in Hungarian as well. The Board of Directors shall provide non-official English-Hungarian and Hungarian-English interpretations. With regard to the procedure of the general meeting the provisions of the Articles of Association of the Company and the Act V of 2013 on the Civil Code shall be applied.

Notice regarding the epidemic situation

The Board of Directors of MOL Plc. is continuously monitoring the developments in connection with Coronavirus (COVID-19), including the measures introduced by certain Governments and Authorities which could affect the Annual General Meeting (AGM) of MOL Plc. The protection of health and safety is of primary importance for MOL Plc. and therefore, as far as possible, MOL Plc. will inform its Shareholders in due time about the measures that may potentially affect the Annual General Meeting.

We would like to call our Shareholders' attention to the fact that the Articles of Association of MOL Plc. enables exercising voting rights regarding AGM through authorization given via Proxy Cards. In case the correctly filled Proxy Cards are received

by our Company (Investor Relations Department of MOL Plc. address: 1117 Budapest, Október huszonharmadika u. 18.; e-mail: investorrelations@mol.hu) on the day before the AGM until 4. p.m., the Company ensures for the Shareholders to exercise their right in such way free of charge.
Based on the ordered state of emergency, we are therefore proposing to our Shareholders to use the Proxy Card instead of personal appearance. In this respect further information may be found in the Announcement of the AGM and in case of question the Investor Relations department of MOL Plc. are at your disposal (telephone: +361 464 1395, fax: +361 464 1335).

Method of voting

The Board of Directors recommends machine electronic voting to be used at the General Meeting, regarding which detailed information shall be provided on the spot. The General Meeting shall first decide on the approval of the electronic voting system then elect the keeper of the minutes, the certifiers of the minutes with the official vote counters.

Summary of the number of shares and voting rights existing on the date of the convocation of the General Meeting

Composition of share capital of the Company on 28 March 2022:

Share series	ISIN Code	Par value (HUF/share)	Issued number	Total par value (HUF)
„A" series	HU0000153937	125	819,424,824	102,428,103,000
„B" series	HU0000068960	1,000	1	1,000
„C" series	HU0000065909	1,001	578	578,578
Share capital		-	-	102,428,682,578

Number of voting rights attached to the shares on 28 March 2022:

Share series	Issued number	Shares with voting rights	Voting right per share	Total voting rights	Number of treasury shares
„A" series	819,424,824	819,424,824	1	819,424,824	13,127,104
„B" series	1	1	8	8	0
„C" series	578	578	8.008	4,628.624	578
Total	-		-	819,429,460.624	-

No shareholder or shareholder group (as defined in Article 10.1.2 of the Articles of Association of the Company) may exercise more than 10% of the voting rights with the exception of the organization(s) acting at the Company's request as depository or custodian for the Company's shares or securities representing the Company's shares (the latter shall be exempted only insofar as the ultimate person or persons exercising the shareholder's rights represented by the shares and securities deposited with them do not fall within the limitations specified here below).

The "yes" vote of the holder of "B" series of share is required for decisions at the General Meeting on issues enlisted in Article 12.4 of the Articles of Association of the Company. In all other matters, in accordance with the nominal value of the "B" series share, such share entitles its holder for eight vote.

MANAGEMENT DISCUSSION AND ANALYSIS OF 2021 BUSINESS OPERATIONS

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1. OVERVIEW OF THE MACROECONOMIC AND INDUSTRY ENVIRONMENT

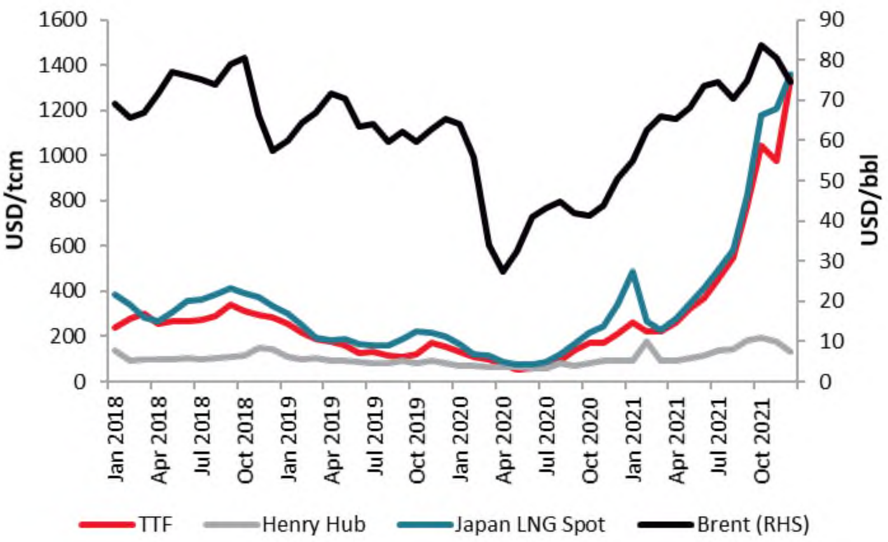
Macroeconomic environment

In 2021, the global economy rebounded from the greatest recession since World War II. Global economic output rose by 5.9%.[1] Nevertheless, the recovery of advanced and developing countries has been uneven due to the stronger fiscal and monetary support and higher vaccine deployment in developed economies.

Post-COVID reopenings enabled a strong economic rebound in EU economies too, GDP growth was 5,2%[2] in 2021 bringing output above pre-pandemic levels. Massive policy support, tight labour markets and improved consumer sentiment supported private consumption. Nevertheless, prolonged supply chain bottlenecks, rising energy costs and the year-end resurgence in COVID cases constrained the pace of the economic recovery. In the Central European region, GDP growth surpassed the EU average with the exception of Czechia and Slovakia. Higher exposure to global supply chain disturbances in the manufacturing industry, in particular in car production and stricter COVID-19 restrictions were the major causes of weaker than average economic performance in those two countries.

The Hungarian economy grew robustly with GDP growth being 7.1%[3] in 2021. The above average economic growth was due to expansive fiscal policy, boosting household consumption and investment. Easing lockdowns helped the services sector recovering; however, stress in global supply chains took its toll on the performance of the Hungarian industrial segment.

Figure 1 Brent and gas prices dtd (Bloomberg source)



Oil and natural gas market developments

Brent price rose from the 2020 annual average of 42 to 71 USD/bbl in 2021 characterized by still higher than historic market volatility. Global oil demand rose by 5.5 mb/d (6.1%) in 2021 and by the end of the last year it neared pre-COVID levels as a result of improving vaccine deployment – especially in the developed world – and rising social adaptivity to the pandemic.[4] Measures taken by governments to contain the coronavirus were less severe than during earlier waves and their impact on economic activity and oil demand remained relatively subdued compared to 2020 despite the emergence of two new variants of concern, Delta and Omicron. In contrast, OPEC+ managed its supply conservatively and the U.S. shale industry also recovered slower than expected, resulting in a roughly 1 Mmbpd supply shortage on the market throughout 2021 supporting prices.

European natural gas prices reached a historic high in 2021. After years of record low prices due to the global oversupply, both demand and supply-side factors pushed prices to new heights. Strong economic performance, longer than average cold winter weather, increasing competitiveness of gas compared to coal and lignite – due to skyrocketing CO_2 quota prices – all lead to strong natural gas demand in the first part of the year. Later the below-than-normal alternative renewable power generation increased the demand need. In contrast, supply became more and more scarce. Strong Asian demand diverted LNG from Europe. Early summer, heavy maintenances on Norwegian and Russian fields made stock replenishment for the winter season more difficult. Similarly, to the oil market, Hurricane Ida caused outages in the U.S. gas production, affecting global balances as well. In the last months of the year, geopolitical disputes linked to revealed differences in Russian and U.S. geopolitical interests in Europe exaggerated supply fears.

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1 IMF World Economic Outlook, January update, 1 February, 2022

2 Eurostat, 15 February, 2022.

3 Hungarian Central Statistical Office, 15 February, 2022.

4 IEA Oil Market Report – January 2022, 24 January, 2022

Downstream

MOL refinery margin improved considerably in 2021 driven by the strong demand uptick for refined products due to the reopenings and a weaker Urals as the global supply of heavier, more sour grades gradually expanded. Still, increased refinery runs globally put a cap on margins. While gasoline cracks strengthened continuously over 2021, joined by diesel cracks in the second half of the year, naphtha and fuel oils being also stronger than the historic average, an underperforming jet and increased operational costs due to skyrocketing natural gas and carbon prices weighed on profitability.

MOL petrochemical margin reached unprecedented highs in 2021. In the beginning of the year unexpected supply disruptions – peaking in February during the Texas Deep Freeze – and continued strong demand supported margins. However, disturbances in global supply chains had an even bigger impact in 2021. Skyrocketing cost of transportation and trade limited the arbitrage between the key producer regions, sustaining European premiums compared to Asian prices.

Macro figures (average)	FY 2021	FY 2020	Ch %
Brent dated (USD/bbl)	70.9	41.7	70
Ural Blend (USD/bbl)[11]	68.8	41.9	64
Urals-Brent spread (USD/bbl)	(1.8)	(0.4)	306
CEGH gas price (EUR/MWh)	47.0	10.1	368
Premium unleaded gasoline 10 ppm (USD/t)[12]	678	384	77
Gas oil – ULSD 10 ppm (USD/t)[12]	584	367	59
Naphtha (USD/t)[13]	615	332	85
Fuel oil 3.5 (USD/t)[13]	381	216	77
Crack spread – premium unleaded (USD/t)[12]	142	67	111
Crack spread – gas oil (USD/t)[12]	48	51	(6)
Crack spread – naphtha (USD/t)[13]	79	16	402
Crack spread – fuel oil 3.5 (USD/t)[13]	(155)	(101)	54
Crack spread – premium unleaded (USD/bbl)[12]	10.5	4.2	149
Crack spread – gas oil (USD/bbl)[12]	7.5	7.5	0
Crack spread – naphtha (USD/bbl)[13]	(1.8)	(4.6)	(61)
Crack spread – fuel oil 3.5 (USD/bbl)[13]	(10.7)	(7.8)	37
MOL Group refinery margin UPDATED (USD/bbl)*	2.9	n.a.	n.a.
Complex refinery margin UPDATED (MOL + Slovnaft) (USD/bbl)*	3.5	n.a.	n.a.
MOL Group refinery margin (USD/bbl)	4.1	2.8	47
Complex refinery margin (MOL + Slovnaft) (USD/bbl)	4.6	3.2	43
Ethylene (EUR/t)	1,098	797	38
Butadiene-naphtha spread (EUR/t)	487	223	118
MOL Group petrochemicals margin (EUR/t)	720	384	87
HUF/USD average	303.3	307.9	(2)
HUF/EUR average	358.5	351.2	2
HUF/HRK average	47.6	46.6	2
HRK/USD average	6.4	6.6	(4)
3m USD LIBOR (%)	0.16	0.65	(75)
3m EURIBOR (%)	(0.55)	(0.43)	28
3m BUBOR (%)	1.5	0.7	111

Macro figures (closing)	FY 2021	FY 2020	Ch %
Brent dated closing (USD/bbl)	77.0	50.5	53
HUF/USD closing	325.7	297.4	10
HUF/EUR closing	369.0	365.1	1
HUF/HRK closing	49.1	48.4	2
HRK/USD closing	6.6	6.2	8
MOL share price closing (HUF)	2,520	2,190	25

*Updated methodology includes purchased energy (enhanced fit to natural gas) and CO_2
Notes and special items are listed in Appendix I and II.
Historical macro figures are available in the annual Data Library on the company's website.

2. INTEGRATED CORPORATE RISK MANAGEMENT

As operators in a high-risk industry MOL Group is committed to manage and maintain its risks within acceptable limits.

The aim of MOL Group Risk Management is to keep the risks of the business within acceptable levels and safeguard the resilience of its operations as well as the sustainable management of the company. For this purpose, as an integral part of our corporate governance structure, MOL Group has developed a comprehensive Enterprise Risk Management (ERM) system which focuses on the organisation's value creation process, meaning factors critical to the success and threats related to the achievement of objectives but also occurrence of risk events causing potential impact to people, assets, environment or reputation. Within the ERM framework all significant risks throughout the whole Group are identified, assessed, evaluated, treated and monitored, covering all business and functional units, geographies as well as projects, taking into consideration multiple time horizons.

In order to ensure an effective risk management, risks are being managed (assess, evaluate, treat) as a 1st line of defence by Risk Owners who are managers responsible for each business area including supervising the existing mitigation and the implementation of new mitigation actions in their organisations. Group level business and functional units, specialised risk management functions and the Group Risk Management department provide oversight. The Management Committee, the Chief Executives' Committee, the Board of Directors and the Supervisory Board together with their specialized committees provide supervision and assurance on the effectiveness of the group level application of the risk management framework.

Regular risk reporting to top management bodies, including the Board of Directors with its committees provides oversight on overall the risk profile and the largest risks as well as assurance that updated responses, controls, and appropriate mitigation actions are set and followed.

Risks are assessed on three time horizons: defined financial risks on short term (1 year), all types of risks on mid-term (1-3 years) in the context of the Group's 3-years business plan in the frame of the bottom-up mid-term risk review process and on long-term (above 3 years, up to 10 years) in the context of the Group's long term2030+ strategy in the frame of a top-down risk review.

The main risk drivers of the Group

Risks/processes	Risk description	Risk mitigation methods
Market and financial risks		
Commodity price risk	The Group is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks stem from its long positions in crude oil, refinery margin and petrochemical margin.	• Integrated business model • Continuous monitoring • When necessary, commodity hedging instruments to mitigate other than 'business as usual' risks or general market price volatility
Foreign exchange (FX) risk	The Group has FX exposure due to mismatch of currency composition of cash inflows and outflows, investments, debts.	• Monitoring FX risk and balancing the FX exposures of the operating & investment cash flow with the financing cash flow exposures when necessary and optimal
Interest rate (IR) risk	MOL Group has a mixture of floating and fixed interest rate debts. Floating rate debt are subject to interest rate changes.	• Continuous monitoring • Adequate mix of funding portfolio • When necessary, interest rate swap hedging instruments to mitigate risks
Credit risk	MOL Group provides products and services with deferred payment terms to eligible customers which exposes it to credit risk.	• Diversified customer portfolio • Customer evaluation model, continuous monitoring • Group-wide credit insurance program
Financing/Refinancing risk	MOL Group has significant debt outstanding. Inability to refinance those or inability to draw down funds could cause liquidity problems.	• Diversified funding sources/instruments • Diversified, balanced, and decently long maturity profile • Investment grade rating (BBB-) of the Group affirmed by Fitch and S&P with a stable outlook supports smooth debt capital markets access

Risks/processes	Risk description	Risk mitigation methods
Operational Risks		
Physical asset safety and equipment breakdown risk	Process Safety Event (Major Industrial accident) due to loss of mechanical integrity, technical, technological or operational issues, process maintenance difficulties, lack of competent human resources.	• Comprehensive HSE activities, a group-wide Process Safety Management system including asset related operational risk management process • Preventive & Predictive maintenance (Uptime program) • Group-wide insurance management program
Crude oil supply risk	Crude supply disruption (insufficient quantity or quality) can disrupt refineries and petchem sites continuous operation.	• Crude oil-supply diversification strategy implemented; regular crude cargo deliveries from the Adriatic Sea via pipeline to the Group's land-locked refineries
Exploration & Production reserve replacement	Higher than expected decline in production of Exploration & Production and failure to replace reserves.	• Optimization programs and reserve replacement are both focus areas of Exploration & Production operations
Cyber risk	Global trends showing steadily growing frequency and intensity of Cyber-attacks / incidents as well as more specified Cyber Crime Groups targeting Industrial Control System's weaknesses, which may have increasing economic impact and relevance on MOL Group.	• Continuous improvement of cyber security capabilities • Continuous supervision of cyber security risks (Group and opco level) ensuring the protection of the confidentiality, integrity and availability of data • Cyber security is built into all the MOL Group products and services • Continuous education of employees and partners.
Human Capital	The Group's ability to implement its 2030+ Strategy is dependent on the capabilities and performance of its people, management, experts and technical personnel.	• HR framework to attract, develop, reward and retain employees • Capability development for all employee levels to ensure future-proof skillset • Intergenerational collaboration to enhance internal knowledge transfer • Focus on digital transformation, and employee experience • Developing innovative and collaborative culture flexible working arrangements and mobility frameworks to attract diverse talent
Pandemic Risk	Pandemics may significantly adversely affect the Group's business environment, including price and demand on the Group's products and services, availability of contractors, subcontractors as well as raw materials, creditworthiness of credit customers, availability of the Group's key personnel.	• Crisis Management plans in place • Group Crisis Management Team: continuous monitoring and implementing measures in line with the current situation
Strategic risks		
Regulatory risk	MOL has significant exposure to a wide range of laws, regulations and policies on the global, the European and the individual country level, that may change significantly over time and may even require the Group to adjust its core business operation.	• Continuous monitoring new regulations • Participation in legislative processes, consultations • Adopting MOL strategy in response to changes
Country risk	The international presence of MOL Group contributes to diversification but also exposure to country specific risk at the same time. Government actions may be affected by the elevated risk of economic and, in some regions, political crisis, increasing their impact on MOL's operations.	• Continuous monitoring of the political risk, compliance with local regulations and international sanctions. • Investment opportunities are valuated with quantifying of country risk in discount rate
Reputation risk	MOL, as a major market player and employer in the region with a sizeable operational footprint, operates under special attention from a considerable number of external stakeholders.	• Stakeholder governance processes introduced to monitor and adjust to any reputational risks
Climate change risk	Transition and physical risks associated with climate change have the potential to negatively impact MOL's current and future revenue streams, expenditures, assets and financing.	• MOL Group's transformational strategy • Several operational steps taken to mitigate physical risks emanating from climate change For more detailed information on Climate change risk, see TCFD disclosure section below
Capex Project Execution Risk	Projects are delayed or less profitable than expected or unsuccessful for numerous reasons, including cost	• Disciplined stage gate process across Capex project pipeline

Risks/processes	Risk description	Risk mitigation methods
	overruns, higher raw material or energy prices, longer lead time in equipment deliveries, limited availability of contractors and execution difficulties.	• Dedicated team to identify risks at earlier stages, plan for mitigation or avoidance by linking potential risks with schedule and budget to build realistic estimates and following it up through the project lifecycle • Supplier selection criteria, audits

Risk Review Process in 2021

Risk owners in the Group identified, analyzed and evaluated their major risks in 2021 – both on medium-term and long-term time horizon - and defined and/or updated the relevant mitigation plans where it has been necessary. Risk reports have been discussed by the Finance and Risk Management Committee of the Board of Directors.

Main risk management tools

As described above, as a general risk management framework, we operate an Enterprise Risk Management system.

Hedging Policy: to ensure the profitability and the financial stability of the Group, financial risk management is in place to handle short-term, market related risks. Commodity price, FX and interest rate risks are measured regularly by using a complex model based on advanced statistical methods and are managed – if and when necessary - with hedging measures.

Insurance Policy: transferring the financial consequences of our operational risks is done by insurance management, which represents an important risk mitigation tool to cover the most relevant exposures and liabilities arising out of our operations. Insurance is managed through a joint program for the whole Group to exploit considerable synergy effects.

Crisis and Business Continuity Management: following best industry practice and focusing on low probability high potential risks that could disrupt our operations, value chain and cash generation, MOL Group has implemented and is currently working to integrate a crisis management and business continuity program in order to reduce recovery times within tolerable limits for processes critical to our business.

TCFD disclosure on Risk Management

Climate change related risks are covered within the ERM framework, both in the long-term and mid-term risk review process.

Top-down approach is taken to identify and assess risks affecting the long-term strategy of the Group. Climate change risk, including transition and physical risks are assessed, together with mitigation plans within the strategic risk review process. Sponsorship, oversight of management of such risks sits with executive leadership, while operative leaders directly reporting to executive leadership are nominated as risk owners, who are responsible for assessment, mitigation of these risks. Strategic risk reports are discussed by the Finance and Risk Management Committee of the Board of Directors.

Within the bottom-up mid-term risk process several climate change related individual risks (regulatory changes, demand for fossil fuels, risk on physical assets) are and may be identified and reviewed regularly. Various organizational levels and geographies are involved in the process, with the aim of covering all material risks, including climate related ones. Operative managers are nominated as risk owners, being responsible for assessing and mitigating the relevant risks. Aggregated, consolidated risk report is discussed by the Finance and Risk Management Committee of the Board of Directors.

Risk owners, with the involvement of subject matter experts, assess risks taking into consideration the probability of occurrence and the potential impact on the Group's objectives. Depending on the level of risk acceptable for the Group, risk owners define appropriate mitigation plans.

Climate -related aspects are also part of project planning and decision process: MOL Group includes CO_2 emission estimates in project planning and approval documents. In parallel, a monitoring system has been operated to register and forecast project-related CO_2 emissions. For more on our governance around climate see Chapter 7.

Identified climate change related risks

- Identified **transition risks** include a) **policy and legal risks** (actions that attempt to constrain activities that contribute to climate change and/or actions that encourage adaption/limitation of climate change, including stricter emission rules and carbon pricing), b) **technological risks** (innovation that supports transition to a low carbon world, including increasingly efficient and lower consumption in transportation), c) **market risks** (shift in supply/demand for certain products and services due to changes in customer preferences: decline in demand for the fossil fuel, and technology), and d) **reputational risks** (stakeholder pressure). MOL Group's long-term strategy seeks not only to **mitigate risks** associated with the transition to a low carbon economy, but to capitalize on opportunities created by it.

- Identified **physical risks** include a combination of both **acute risks** (extreme rainfall and flooding), as well as **chronic risks** (extreme heat, fluctuating water levels and drought). If any of these events were to occur, they could have an adverse effect on the Group's assets, operations and staff. MOL Group has incurred and is likely to continue incurring additional costs to protect its assets, operations and staff from physical risks. To the extent such severe weather events or other climate conditions increase in either frequency, severity or both, MOL Group may be required to adjust its operations and incur costs that could adversely affect its financial position.

  MOL Group operates Risk Engineering program, where the potential impacts of water related events analyzed in main Downstream sites. Below is presented a high-level overview of water related risks.

<table>
<tr><th>Water risks</th><th colspan="2">Water related risk description & mitigation</th></tr>
<tr><td rowspan="5">Flood risk</td><td colspan="2">Major Downstream sites are located near to rivers, sea. Flood risk level is considered as low, as the sites' parameters/design provides enough mitigation capacities (which is supported by risk engineering reports)</td></tr>
<tr><td>Danube Refinery</td><td>The refinery site borders the River Danube, but the site process is far above the river level, and the site is located outside of a river flood hazard area.</td></tr>
<tr><td>MOL Petrochemicals Tiszaújváros</td><td>The site is located about 1 km west of the River Tisza, and the site is far above sea level.</td></tr>
<tr><td>Bratislava Refinery</td><td>The site's western perimeter is approximately 0.8 km from the River Danube.</td></tr>
<tr><td>Rijeka Refinery</td><td>The site is located on the Adriatic Sea, with the minimum elevation being 4m above mean sea level. In addition, there are no rivers or creeks in the area.</td></tr>
<tr><td>Drought risk/fluctuating water level</td><td colspan="2">In case of drought event low level of Duna/Tisza rivers may hinder barge transport. Taking into account that railroad transportation can be applied as an alternative transport and planned upgrade of rail unloading capacities, the risk level is considered as low.</td></tr>
<tr><td>Extreme rainfall</td><td colspan="2">Water collecting pits may overflow in extreme rainfalls which may lead to contamination of receiving water body. Site reviews and mitigation actions are in progress.</td></tr>
</table>

3. FINANCIAL AND OPERATIONAL OVERVIEW OF 2021

	HUF billion			USD million		
Summary of results	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Net sales revenues	5,959.3	4,011.0	49	19,612	13,071	50
EBITDA	1,120.3	579.4	93	3,690	1,891	95
EBITDA excl. special items(1)	**1,121.9**	**567.8**	**98**	**3,695**	**1,853**	**99**
Clean CCS-based EBITDA (1) (2)	**1,071.9**	**629.7**	**70**	**3,531**	**2,048**	**72**
Profit from operation	612.9	65.0	843	2,020	214	845
Profit from operation excl. special items(1)	**637.8**	**98.1**	**550**	**2,096**	**323**	**550**
Clean CCS-based operating profit (1) (2)	**587.8**	**160.1**	**267**	**1,932**	**518**	**273**
Net financial gain / (expenses)	(42.3)	(111.3)	(62)	(133)	(370)	(64)
Net profit attributable to equity holders of the parent	**526.1**	**(18.3)**	**n.a.**	**1,747**	**(63)**	**n.a.**
Operating cash flow before ch. in working capital	1,196.3	542.8	120	3,938	1,791	120
Operating cash flow	918.1	572.3	60	3,037	1,857	64
EARNINGS PER SHARE						
Basic EPS	731.3	(25.7)	n.a.	2.4	(0.1)	n.a.
Basic EPS excl. special items	762.7	22.9	n.a.	2.5	0.1	n.a.
INDEBTEDNESS						
Simplified Net debt*/EBITDA	0.61	1.61	-	0.61	1.61	-
Net gearing**(4)	18%	27%	-	18%	27%	-

*Long-term debt plus Short-term debt less Cash and cash equivalents less Current debt securities.
**Net Debt divided by Net Debt plus Total equity.

KEY FINANCIAL DATA BY BUSINESS SEGMENTS

	HUF billion			USD million		
Net Sales Revenues (3) (6)	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	676.7	398.1	70	2,221	1,303	70
Downstream	5,256.3	3,379.8	56	17,297	11,012	57
Gas Midstream	108.1	94.0	15	353	306	15
Consumer Services	1,944.1	1,452.9	34	6,409	4,737	35
Corporate and other	241.9	245.4	(1)	794	800	-1
Total Net Sales Revenues	**8,227.1**	**5,570.2**	**48**	**27,074**	**18,158**	**49**
Intersegment transfers (7)	(2,267.8)	(1,559.2)	45	(7,462)	(5,087)	47
Total External Net Sales Revenues (6)	**5,959.3**	**4,011.0**	**49**	**19,612**	**13,071**	**50**

EBITDA	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	469.3	210.2	123	1,540	689	124
Downstream	500.7	167.2	199	1,653	545	203
Gas Midstream	41.2	62.0	(34)	136	201	(32)
Consumer Services	182.5	156.2	17	605	510	19
Corporate and other	(41.0)	(28.1)	46	(135)	(91)	48
Intersegment transfers(7)	(32.4)	11.9	n.a.	(109)	37	n.a.
Total EBITDA	**1,120.3**	**579.4**	**93**	**3,690**	**1,891**	**95**

EBITDA Excluding Special Items (1)	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	473.6	210.2	125	1,554	689	126
Downstream	500.7	167.2	199	1,653	545	203
Downstream - clean CCS-based(2)	450.7	229.1	97	1,489	740	101
Gas Midstream	41.2	62.0	(34)	136	201	(32)
Consumer Services	182.5	156.2	17	605	510	19
Corporate and other	(43.7)	(39.7)	10	(144)	(129)	12
Intersegment transfers(7)	(32.5)	11.9	n.a.	(109)	37.0	n.a.
Total - clean CCS-based(1) (2)	**1,071.9**	**629.7**	**70**	**3,531**	**2,048**	**72**
Total EBITDA Excluding Special Items	**1,121.9**	**567.8**	**98**	**3,695**	**1,853**	**99**

	HUF billion			USD million		
Depreciation	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	267.2	261.1	2	880	852	3
Downstream	151.8	159.5	(5)	500	519	(4)
Gas Midstream	16.6	16.5	1	55	54	2
Consumer Services	39.1	41.8	(6)	129	136	(5)
Corporate and other	33.6	35.2	(5)	110	116	(5)
Intersegment transfers(7)	(0.9)	0.3	n.a.	(4)	-	n.a.
Total Depreciation	**507.4**	**514.4**	**(1)**	**1,670**	**1,677**	**0**

Operating Profit	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	202.1	(50.8)	n.a.	661	(163)	n.a.
Downstream	348.9	7.7	n.a.	1,153	26	n.a.
Gas Midstream	24.5	45.5	(46)	81	147	(45)
Consumer Services	143.4	114.4	25	477	374	28
Corporate and other	(74.6)	(63.3)	18	(245)	(206)	19
Intersegment transfers(7)	(31.4)	11.5	n.a.	-107	36	n.a.
Total Operating Profit	**612.9**	**65.0**	**843**	**2,020**	**214**	**844**

Operating Profit Excluding Special Items (1)	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	229.7	(25.1)	n.a.	746	(78)	n.a.
Downstream	348.9	21.4	n.a.	1,153	71	n.a.
Gas Midstream	24.5	45.5	(46)	81	147	(45)
Consumer Services	143.4	114.4	25	477	374	28
Corporate and other	(77.3)	(69.7)	11	(254)	(226)	12
Intersegment transfers(7)	(31.4)	11.6	n.a.	(107)	35	n.a.
Total Operating Profit Excluding Special Items	**637.8**	**98.1**	**550**	**2,096**	**323**	**549**

Capital Expenditures	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
Upstream	132.4	605.9	(78)	434	1,824	(76)
Downstream	206.6	220.2	(6)	675	715	(6)
Gas Midstream	22.4	11.6	93	74	38	95
Consumer Services	49.9	40.9	22	162	132	23
Corporate and other	78.8	63.0	25	256	209	22
Intersegment transfers(7)	(1.0)	(1.1)	(9)	(3)	(4)	(25)
Total	**489.1**	**940.5**	**(48)**	**1,598**	**2,914**	**(45)**

Notes and special items are listed in Appendix I and II.

3.1 KEY ACHIEVEMENTS AND SUMMARY OF 2021 RESULTS

In 2021 MOL Group delivered a record Clean CCS EBITDA of HUF 1,071.9bn (USD 3.53bn), 70% higher in HUF terms (72% higher in USD terms) than in the previous year and significantly exceeded the original capital market guidance of around USD 2.3bn. Accordingly simplified free cash-flow (Clean CCS EBITDA minus organic CAPEX) generation amounted to HUF 599.9bn (USD 1.98bn) reaching an all-time high amount.

Key Financial Highlights

- Upstream segment's EBITDA, excluding special items, reached HUF 473.6bn (USD 1,554mn) in 2021, representing a 125% increase compared to 2020 on the back of rising oil and gas prices.
- In 2021 Downstream generated HUF 450.7bn (USD 1,489mn) Clean CCS EBITDA, which is 97% higher than the previous year's performance. The increasing result was attributable to exceptional petrochemical and normalizing refinery margins.
- Consumer Services EBITDA increased by 17% in 2021, reaching HUF 182.5bn (USD 605mn) resulting in another year-on-year double-digit-growth. The favorable external conditions as a result of easing lockdowns and travel restrictions led to an increase in fuel sales volumes and non-fuel margin improvement. However, the increase was somewhat offset by the fuel price cap introduced in Hungary and Croatia in Q4 2021.

- Corporate and other segment delivered an EBITDA (Excluding Special Items) loss of HUF 43.7bn (USD 144mn) in 2021, slightly increasing year-on-year.
- Gas Midstream reached HUF 41.2bn (USD 136mn) EBITDA in 2021, 34% less than in 2020, mainly driven by stopped transmission towards Serbia and BiH resulting in diminishing non-regulated transit revenues and OPEX pressure due to rising natural gas prices.
- Net financial expenses decreased significantly to HUF 42.3bn (USD 133mn) in 2021 compared to HUF 111.3bn (USD 370mn) in the previous year, primarily due to negative FX impact.
- Total CAPEX spending reached HUF 489.1bn (USD 1,598mn) in 2021, decreasing 48% year-on-year on, due to the acquisition of ACG calendar effect.
- Organic capex spending reached HUF 471.8bn (USD 1,542mn) in 2021, increased year-on-year. HUF 88.7bn (USD 291mn) transformational project spend of 2021 relates to the Polyol project and Rijeka Refinery upgrade while sustain capex reached HUF 383.1bn (USD 1,252mn) in 2021 influenced by the Danube Refinery turnaround, ACG development and the implementation of smaller Downstream projects.
- Operating Cash Flow before Working Capital increased by 120% year-on-year in 2021 to HUF 1,196.3bn (USD 3.94bn).
- Net debt decreased to HUF 683.8bn (USD 2,099mn) in 2021 from HUF 934.4bn (USD 3,142mn) a year ago. Net Debt/EBITDA declined to 0.61 from 1.61, and net gearing also decreased to 18% from 27%, therefore the available liquidity remained strong, and stood at around USD 4.4bn at the end of 2021.
- Total headcount decreased to 24,291 in 2021 from 24,948 in 2020.

Key Operational Highlights

- Annual oil and gas production remained above 110 mboepd in 2021 in line with the annual guidance, 2P reserves stood at 335 Mmboe at year-end representing a reserves to production ratio of around 9 years.
- MOL made a significant progress in the development of the polyol complex, which continued further and reached a completion ratio of 94% by the end of 2021.
- Consumer Services continued the expansion of its non-fuel concept by completing a total 1,069 Fresh corner revamps by 2021 year-end.
- Consumer Services took inorganic steps to expand its portfolio in 2021:
    - MOL announced to acquire of OMV Slovenia, including 120 service stations and wholesale operations, currently it is subject to competition approval.
    - MOL concluded a deal with the subsidiary of Marché International AG to buy the company that operates 9 restaurants connected to fuel stations in Hungary under the Marché brand.
- MOL achieved the followings on the ESG front:
    - Top 3% percentile rank achieved at Sustainalytics ESG rating against an oil and gas industry peer group.
    - MOL improved its CDP scores by two notched to a B rating, which puts MOL amongst the best rated oil and gas companies in the CEE.
- Key group financial and operational figures and historical financial statements are available in the annual Data Library on the company's website.

3.2 CORPORATE STRATEGY

In anticipation of the mid-term decline in European fuel consumption as result of shifting consumer preferences, legislative actions and technological developments, MOL Group published in 2016 its 2030 strategy “Enter Tomorrow”. The announcement of the 2030 “Enter Tomorrow” strategy put MOL as a front-runner amongst regional oil and gas companies in terms of publishing a comprehensive roadmap in response to anticipated long-term structural challenges to the oil and gas industry. The launch of the 2030 strategy sought not only to mitigate the low-carbon economy transition risks, but to capitalize on the opportunities created by it. With the strategy, MOL Group sought to gradually diversify the Group’s revenue streams away from traditional hydrocarbons by seeking opportunities for developing new low-emission products and services in new markets. The initial strategic shift rested on two pillars: 1) transform the Group’s refining operations by gradually shifting refining activities away from the production of fuels towards the production of feedstock for the Group’s petrochemical division, whilst simultaneously expanding the chemical value chain towards semi-commodity and specialty chemicals (“from fuel to chemicals”). Initial steps towards the Group’s petrochemical product diversification included expansion towards new products like synthetic rubber, polyol and propylene glycol. 2) The second pillar was to transform a traditional fuel retailer into a convenience retailer and alternative low-carbon mobility player (“from fuel retail to consumer goods”). Initial steps included the launch of the Fresh Corner concept store across the Group’s service station network, as well as the launch of mobility services.

Since the announcement of the 2030 “Enter Tomorrow” strategy, MOL Group reached a number of interim goals. Furthermore, between the initial publication in 2016 and 2020, the Group launched an additional range of new products and services that would not only strengthen the Group’s ability to navigate the disruption caused by the transition to a low-carbon world, but would cement the ambition of building a business model that would remain competitive in a carbon-constrained, circular economy. These new products and services include a) expanding the Group’s activities towards the circular economy through an organic investment in rubber bitumen (tire recycling), whilst accessing new markets in plastics recycling and compounding through partnerships with APK and Meraxis and the acquisition of Aurora, b) investing in renewable energy (solar), c) providing additional mobility solutions (fleet management and car sharing). In addition, MOL took a significant step in 2020 to further support the integrated nature of its business model by strengthening the Exploration & Production business through the ACG acquisition. This acquisition allowed MOL to substantially increase the reserve life of the Exploration & Production business, whilst adding low-cost high margin barrels capable of funding the transition in line with the roadmap set forth by the 2030 “Enter Tomorrow” strategy.

The fundamental idea behind the 2030 strategy and direction traced in 2016 remains valid. However, MOL Group recognized the acceleration in the speed towards the low-carbon transition. As a result, MOL Group presented in Q1 2021 an updated strategy, labeled as 2030+ “Shape Tomorrow” which seeks to further accelerate the pace and scale of the fundamental shift away from fuels initiated in 2016.

Today, the speed of the low-carbon transition represents one of the most important risk factors for the Group given the European Union’s “Net-Zero 2050” initiative. MOL Group needs to transform itself at a faster pace than what was originally envisaged in 2016, with the added constraint that it may have less cash than expected from its operations to fund the transformation. Besides speed, a key aspect for the successful transformation will be to generate sufficient cash flow from existing hydrocarbon-based activities to finance the non-fossil fuel related transformational projects, especially in Downstream. MOL Group faces the scenario of fossil fuel losing its monopolistic dominance in the fuel transportation market on the long run. Furthermore, MOL Group faces several longer-term structural challenges that would potentially lead to unfavorable market conditions. These include shifting consumer preferences, increasing decarbonization (electrification) of transportation and the spread of alternative fuels, tightening regulations, increasing import pressure and rising carbon prices. The combination of these factors could lead to a permanent decline in demand for refined products and by the extension lower refinery throughput, which combined with fixed operating costs, could possibly result in permanently lower Downstream earnings by mid 2030s.

As a result, the main priority of the updated strategy is to accelerate the pace of the initial “fuel to chemicals” transformation of Downstream that began in 2016. In 2016 the focus was on the extension of the chemical value chain towards non-commodity specialty chemicals (petrochemical product diversification), with plans including synthetic rubber, polyol and propylene glycol. However, the new focus will be placed on the shift in refining activities, as the Group seeks to gradually withdraw from the production of motor fuels, and instead focus on converting hydrocarbon molecules to become feedstock for the petrochemical and chemical value chains. For the 2022-26 period, at least USD 3.5bn capex (around USD 700mn annually) will be available and earmarked to fund the fuel-to-petchem transformation and the low-carbon, green transition. Furthermore, in order to decarbonize operations, partly to mitigate the risk of rising carbon costs, MOL Group targets a 20% reduction in Scope 1 and 2 emissions in Downstream by 2030 (2019 as base), as a step on the road towards net-zero economy envisioned in the EU’s Green Deal.

In 2016 MOL Group's Consumer Services division (consisting of fuel retail and mobility) developed the new Fresh Corner concept store to increase store traffic, seeking to increase fuel sales as well as to realize untapped in-store non-fuel revenue and margin potential. The transformation of the service stations and the continued roll-out of the Fresh Corner concept that began in 2016 will continue in the new strategy. Consumer Services aims to increasingly become a FMCG retailer using the Fresh Corner store concept as the catalyst for in-store non-fuel revenue generation and diversification. Furthermore, the combination of a wider range of in-store non-fuel products and services, alternative fuels (below) and increasing digitalization will act as a major draw-in for customers supporting both an increase to store visits and sales (basket size). To ensure long-term profitable and sustainable growth, the diversification of the retail portfolio will be in focus through the expansion of Fresh Corner concept store via a franchise network to gradually decouple non-fuel revenue generation from the Group's service station network. In preparation for beyond the fuel age, the mobility division within Consumer Services launched in 2016, as part of the 2030 strategy, a number of clean, alternative mobility related products and services, with the aim of facilitating the gradual shift towards multimodal, clean and sustainable transportation. In the new strategy, MOL Group will continue to expand the EV charging points across its network and third-party locations, targeting to install 500 EV charging points by 2025 to become a leading mobility service provider in the CEE region. Furthermore, Consumer Services aims at providing alternative fuel options, with a special emphasis on hydrogen fuel cell-based mobility. Finally, Consumer Services aims to grow its fleet management division, with a new focus being placed on expanding towards public transportation following the acquisition of ITK Holding. Consumer Services targets its operations to become carbon-neutral (in terms of Scope 1 and 2 emissions) by 2030.

Ending previous practices, the new Upstream strategy does not include any volumetric growth targets neither on reserves nor on production. The major focus will be placed on generating value from current assets both in CEE and in the Group's international Exploration & Production portfolio combined with opportunistic steps, with smaller international tail-end assets subject to portfolio rationalization and optimization. MOL Group intends to manage the production decline in its mature CEE assets (Hungary and Croatia), whilst simultaneously identifying depleted gas reservoirs in both countries which could potentially be converted to Carbon Capture, Utilization and Storage (CCUS) sites in cooperation with large industrial emitters, including the Group's Downstream operations. Upstream targets to become carbon-neutral (in terms of Scope 1 and 2 emissions) by 2030.

As for other businesses, MOL Group will spend USD 1bn on new, low-carbon and sustainable businesses to become a key player in CEE in circular economy. MOL will intensify investments to further expand in recycling and will actively seek new business opportunities in waste integration and utilization, advanced biofuels and potentially hydrogen-related activities. MOL targets EU Taxonomy-aligned Capital expenditures (capex) to exceed 50% of total capex by 2030 and to approach 100% by 2050, or earlier.

Despite the fact that the updated 2030+ "Shape Tomorrow" strategy was announced in early 2021, MOL Group already made early progress on a number of fronts. In Downstream preparations are underway for site as well as technology selection for the first cycle fuel to chemicals project and MOL Group took further steps to strengthen the recycling portfolio in petrochemicals. As far as Consumer Services is concerned the roll-out of the Fresh Corner concept continued, whilst digital capabilities were further advanced allowing for stronger margin generation. In addition, Consumer Services took a significant step by announcing the acquisition of 120 stations in Slovenia which also paves to way for the business to achieve its growth ambitions not only from organic sources but also to be supported by inorganic expansion. Meanwhile Upstream remained a major cash contributor and a strong pillar capable of funding the transition ambitions of MOL Group. According to the mid-term financial framework covering the 2022-26 period MOL would be able to fully fund the strategic and sustain investments along with stable dividends even in an oil price environment of 50-70 USD/bbl and substantially normalizing Downstream conditions.

More information concerning the new strategy can be obtained from the Group's investor presentations.

3.2.1 USE OF SCENARIOS

In 2021 for the preparation of the long-term strategy, MOL Group applied scenario analysis as a means of assessing the potential implications of transition related risks and opportunities. A number of scenarios were constructed, all of which were based on the assumption that the energy transition will occur, especially in the European Union where the Green Deal has accelerated the EU's energy and climate policy. The difference between the different scenarios was the speed of the transition. Each scenario outlined a number of legal, economic and technological constraints that would potentially affect the speed of the transition towards a low-carbon, net zero economy. From the several scenarios created, three scenarios were chosen by Executive Management (and approved by the Board of Directors) for the creation of the strategy. These three scenarios were: "slow transition", "steady transition" and "net zero emission". These scenarios helped senior management to frame and assess a wide range of plausible business, strategic and financial impacts associated with the transition to a low-carbon world, including capital allocation, costs, revenues and earnings. The three scenarios were largely based on quantitative modelling, including but not limited to technological and legal developments, macro assumptions and future demand projections for a number of petroleum products that today form part of the core product portfolio of MOL Group. MOL Group considers the 'Steady transition' scenario as the most probable, with both of the two other scenarios having more than a marginal probability of realization. Nevertheless, MOL Group ran a number of simulations to assess the viability and resilience of the strategy against an extreme net zero scenario in order to identify potential vulnerabilities. MOL Group did not use existing external scenarios and models provided by third-party vendors or agencies, as the scenario analysis was built in-house.

MOL Group created a "Premises Committee" made up from representatives of the main divisions and functional areas. The committee is tasked with monitoring the main indicators and assumptions used in the different scenarios and carrying out updates following changes to the external environment. This system can provide early notice that the external environment is moving to a different stage along the chosen scenario path, or potentially moving towards a different scenario altogether, providing senior management the opportunity to reassess and adjust its plans accordingly. Changes to the premises – partially or fully- automatically triggers a notification to the Executive Management and the Board of Directors, and as a result it may cause a modification of the strategy. Any changes to the strategy would need approval from the Board of Directors. Next scenario analysis in line with updating the long-term premises can be expected in 2022.

3.3 UPSTREAM

Segment IFRS results (HUF bn)	FY 2021	FY 2020 Restated	Ch %
EBITDA	469.3	210.2	123
EBITDA excl. spec. items[(1)]	**473.6**	**210.2**	**125**
Operating profit/(loss)	202.1	(50.8)	n.a.
Operating profit/(loss) excl. spec. items[(1)]	**229.7**	**(25.1)**	**n.a.**
Organic CAPEX and investments	**132.4**	**100.5**	**32**
o/w exploration CAPEX	20.7	18.9	10

Hydrocarbon Production (mboepd)	FY 2021	FY 2020 Restated	Ch %
Crude oil production	**56.6**	**61.7**	**(8)**
Hungary	9.3	9.4	(2)
Croatia	10.4	10.8	(4)
Kurdistan Region of Iraq	4.4	3.7	19
United Kingdom	12.6	16.9	(25)
Pakistan	0.6	0.7	(13)
Azerbaijan	17.0	17.8	(4)*
Other International	2.3	2.4	(4)
Natural gas production	**39.6**	**44.0**	**(10)**
Hungary	20.4	22.5	(9)
Croatia	13.5	15.3	(12)
o/w. Croatia offshore	3.2	4.7	(31)
United Kingdom	0.6	0.8	(25)
Pakistan	5.1	5.4	(5)
Condensate	**4.9**	**5.5**	**(11)**
Hungary	2.7	3.2	(14)
Croatia	1.0	1.1	(8)
Pakistan	1.2	1.2	(7)
Average hydrocarbon production of fully consolidated companies	**101.1**	**111.2**	**(9)**
Russia (Baitex)	4.0	4.4	(8)
Kurdistan Region of Iraq (Pearl Petroleum)**	5.1	4.5	12
Average hydrocarbon production of joint ventures and associated companies	**9.1**	**8.9**	**2**
Group level average hydrocarbon production	**110.3**	**120.1**	**(8)**

Main external macro factors	FY 2021	FY 2020 Restated	Ch %
Brent dated (USD/bbl)	70.9	41.7	70.2
HUF/USD average	303.3	308.0	(1.5)
CEGH gas price (EUR/MWh)	47.0	10.1	368

Average realised hydrocarbon price	FY 2021	FY 2020 Restated	Ch %
Crude oil and condensate price (USD/bbl)	66.9	40.2	66
Average realised gas price (USD/boe)	52.0	19.8	163
Total hydrocarbon price (USD/boe)	**61.8**	**32.8**	**89**

Production cost (USD/boe)	FY 2021	FY 2020 Restated	Ch %
Average unit direct production cost of fully consolidated companies	**6.6**	**6.2**	**6**
Average unit direct production cost of joint ventures and associated companies	1.9	1.9	3
Group level average unit direct production cost (USD/boe)	**6.1**	**5.8**	**6**

Capital Expenditures

FY 2021 HUF bn	Hungary	Croatia	Kurdistan Region of Iraq	Pakistan	United Kingdom	Norway	Azerbaijan	Other	Total - FY 2021	Total - FY 2020
Exploration	3.5	1.6	0.0	3.0	0.0	12.2	0.0	0.4	**20.7**	**18.9**
Development	11.7	13.0	2.4	0.3	5.1	0.2	47.4	7.4	**87.5**	**68.2**
Other	5.9	5.4	0.6	0.2	0.7	0.0	0.8	0.0	**13.6**	**13.4**
Total - FY 2021	**21.1**	**20.0**	**3.1**	**3.5**	**5.7**	**12.4**	**48.2**	**7.8**	**121.8**	
Total - FY 2020	**24.6**	**16.3**	**2.8**	**1.6**	**7.7**	**6.8**	**36.2**	**4.5**		**100.5**

Notes and special items are listed in Appendix I and II.
Tables regarding Hydrocarbon production (mboepd); Production cost (USD/boe); Average realised hydrocarbon price; Gross reserves (according to SPE rules): 1P – Proved reserve; 2P – Proved and Probable reserve; Costs incurred (HUF mn); Earnings (HUF mn); Exploration and development wells are available in the annual Data Library on the company's website.
*ACG acquisition contribution is from 16th April 2020.
**New methodology from 2020.

3.3.1 FINANCIAL OVERVIEW OF 2021

Upstream EBITDA, excluding special items, increased by 125% year-on-year in 2021 and amounted to HUF 473.6bn (USD 1,554mn). The financial performance was primarily boosted by the significantly higher average realized hydrocarbon prices (up by 89% or by 29 USD/boe compared to 2020). This was driven by a 66% increase in realized crude prices and a 163% jump in realized gas prices.

Total group production (including JVs and associates) decreased by 8% compared to the previous year, resulting in an average 110.3 mboepd production for the year. Lower production volume was mainly driven by lower entitlement production from ACG (a consequence of high oil prices on the PSA mechanism in place) coupled with acquisition calendar effect, and various production issues and maintenance activities carried out in the UK. This was only partially offset by higher volumes from Kurdistani development projects.

Group-level average direct production cost, excluding DD&A but including JVs and associates, increased by 6% to reach 6.1 USD/boe, due to higher costs incurred in the UK and the cost position of CEE assets diminishing proportionately owing to natural baseline decline, but still remaining at a very competitive level.

Upstream organic CAPEX amounted to HUF 121.8 bn (USD 401mn) in 2021, expanding by 21% year-on-year. This is attributable to a greatly improved external environment and efficient operations allowing for the intensification of all developments aimed at delivering on the objectives of MOL Upstream's Strategy. Development projects accounted for the largest share of this growth as activities continued in Kurdistan and operations activities were on the rise at ACG. More capital was allocated to exploration projects as well, mainly to MOL's operated portfolio in Norway and intensive drilling efforts in Pakistan throughout the year. Altogether, the CEE region and Azerbaijan accounted for more than 73% (HUF 89.3bn; USD 293mn) of total segment capital spending, mostly allocated to development activities.

In 2021, Upstream continued to play a vital role in the cash generation ability of MOL Group with HUF 352bn (USD 1153mn) simplified free cash flow generated, meaning that 31 USD/boe unit free cash flow was achieved on a portfolio level.

Changes in the Upstream regulatory environment

Russia: Changes in the Mineral Extraction Tax (MET) calculation were introduced at the end of 2016, having direct implications on royalty payments since 2017. According to the new regulations, the MET was raised by 306 RUB/ton for 2017, 357 RUB/t for 2018 and 428 RUB/t for 2019. In 2019, the period of application of the raised oil MET was extended indefinitely. Export duty gradually decreasing from 2019 to 2023, while MET proportionally increasing, overall has a slight increasing effect on total tax burden. Amendments to the Tax Code concerning the MET and Additional Income Tax (AIT), effective beginning of 2021, mean that the MET relief granted to Baitex will be cancelled, and as per the new list of AIT fields, it was possible to apply for AIT from 2021. This alternative tax regime for depleted brownfields was implemented. However, the new amendment to the Tax Code (effective from September 2021) resulted in an increased MET rate attributable to the addition of a fuel coefficient dependent on fuel prices to the MET rate formula, having a downwards effect on Baitex EBITDA. Cumulatively, changes have a positive effect on the net income from Russian operations.

Hungary: Concerning the scheduled field abandonment obligation of out-of-use wells for mining purposes, a change in the Mining Act allows for a risk assessment-based management of abandonment activities.

Croatia: A revision of the Act on the Exploration and Exploitation of Hydrocarbons shortened and simplified the validation of petroleum projects.

3.3.2 OPERATIONAL OVERVIEW OF 2021

Exploration

Total of 10 exploration or appraisal wells were drilled in 4 countries and 2 new shallow gas discoveries were made in 2021. Besides drilling, seismic acquisition campaigns progressed in Hungary, Croatia, the United Kingdom and Pakistan. The exploration portfolio of INA was extended with a new, non-operated licence acquired in Egypt.

In Hungary, the Shallow Gas exploration program continued. Kótpuszta-3 well, initially drilled at the end of 2020, was successfully tested and tied in, additional two Shallow Gas wells were drilled with positive results, Komádi-55 and Mezőhegyes-Ny-11, while the well test following the drilling of Görgeteg-Babócsa-K-13 proved to be sub-commercial. Szeghalom-DNy-1 commitment exploration well was drilled, without a commercial discovery. The 2021 shallow gas seismic campaign was launched with 3D seismic acquisition at Endrőd. An evaluation of West and East Hungarian exploration licences also commenced. During 2021 and on account of the pandemic situation, an additional vis maior extension of licences was offered by the Ministry of Innovation and Technology, without a need for any further commitments be taken.

In Croatia, as part of the Second Exploration Phase of block Drava-02, two new wells have been drilled. The first one, Ždala-1 was proven dry, and was plugged and abandoned, while the second well, Bačkovica-1 East, encountered a sub-commercial gas find; well site restoration started off for both and is already finished for Ždala-1. On block Drava-03, the second part of the 3D seismic acquisition and following data processing have been completed, drilling preparation activities were initiated by delivering the seismic data for geological and geophysical (G&G) evaluation. After the realization of a 3D seismic acquisition on block Sjeverno-zapadna Hrvatska-01, data processing and the preparation of G&G studies were launched. Magnetotelluric survey has been conducted on block Dinaridi-14, data interpretation started.

In Romania, activities aimed at delivering the remaining committed work program continued for all licences: EX-1, EX-5, and EX-6.

In Norway, exploration activities were focused on operated licences. After discovery announced in 2020 on licence PL820, two appraisal wells were drilled in quick succession below budget and with exemplary HSE performance. Preliminary evaluations indicated resources at the low end of pre-drill expectations, hence the JV agreed to postpone further field development activities and focus on identifying additional resources in untested reservoirs. On licence PL617 Eidsvoll, a well was drilled without success. Five operated Mandal High licences were relinquished – PL617, PL771, PL808, PL860 and PL904.

In Russia, licence claim package for Devonian exploration had been submitted to the State Authority and was acquired after its approval.

The decision had been reached in Kazakhstan, to release the Fedorovskiy Block Exploration Contract therefore the block relinquishment started, including the abandonment of well U-1, where site remediation is ongoing.

In the Middle East, Asia and Africa region, exploration activities advanced in Pakistan and Egypt. In Pakistan, the TAL West 3D seismic data processing project was completed, following which interpretation and prospect generation activities began in operated TAL block. Mamikhel South-1 well's tie-in was also completed, and its field development plan was approved by the regulator. Two non-operated exploration wells were spudded, Surghar X-1 in Karak, and DGK-1 in DG Khan block. Since the work program elements were completed in both TAL and Margala blocks, licence extension applications had been submitted for both, and was granted for latter. In Oman, the relinquishment of Block 66 had been concluded, the liquidation process and departure from the country finished. In Egypt, INA acquired a 20% working interest in the East Damanhur concession operated by Wintershall Dea, and within scope of the exploration program, ED-1X well was drilled but plugged and abandoned since it was dry.

Field Development and Production

In 2021, MOL successfully continued with the drilling of new development wells. Production optimization programs continued in Hungary and Croatia, which resulted in an annualized production uplift of 1.7 mboepd with a total of 81 well workovers. Advances were made in Kurdistan as the Khor Mor project was resumed at Pearl, and in Kazakhstan where FID was taken and EPCC tender was launched.

In Hungary, field development activities carried on, with three wells drilled, including shallow gas well Mezőhegyes-Ny-11 (which had exploration and field development target zones as well), field development well Földes-27 put into production, and Sávoly-Ny-7 drilled and well test started (accomplished in Q1 2022). The drilling of the fourth well of the year, Mezősas-Ny-30, started as well. Túrkeve-27, a well drilled in 2020, also entered production. In addition, the lifetime extension of the Hajdúszoboszló gas plant was implemented. The production optimization program continued, resulting in a total of 40 well workover operations completed and put into production, consequently adding to production approx. 1.3 mboepd increment on an annualized basis.

In Croatia, Jamarica-183 onshore field development well was successfully drilled and proved hydrocarbon shows in the last quarter, and therefore well testing started. The EOR program continued with carbon dioxide and water injection on Ivanić and Žutica North and South fields and has been extended to an additional three wells on Žutica South. The pilot project on Šandrovac field, commenced in 2020, continued in 2021 with carbon dioxide production and injection. Well workovers, production and pressure tests were also performed, aimed at enabling future full-field EOR application. The North Adriatic Offshore Development Program was set in motion with the drilling of well Ika B-1 R Dir, which was tested with positive results and completed. The drilling of the next well, Marica D Dir ensued and is currently in progress. Investigations on the late-2020 capsizing of Ivana D unmanned offshore platform continued, discussions are continuous with relevant external parties about resolution and successive steps. The production optimization program continued and resulted in a total of 41 workover interventions, contributing 0.4 mboepd additional production on an annualized basis.

In the United Kingdom, Catcher continued to be impacted by produced water handling system issues in the first half of the year, more than offset by better-than-expected reservoir performance. Additionally, 4D seismic shooting and data processing was completed. Both Scott and Scolty & Crathes areas were affected by maintenance shutdown of the Forties Pipeline System, postponed from previous year. Scott production was reduced due to reduced water injection and gas lift availability as well as extended planned maintenance outages. A new 3D seismic survey was acquired on Scott. Scott infill well ST-79 was successfully completed. On Cladhan, the Sleeping Partner Agreement was signed, meaning a retrospective production correction for 2021 entitlement volumes.

In Norway, the Trell and Trine joint development project on PL102F/G licences advanced with the signing of a field unitization agreement, and with the Concept Select Decision approved by partners.

In the CIS region, field development of the operated Baitugan field in Russia continued. The re-assessment program carried on, and within its scope 3 horizontal wells were successfully drilled, 8 advanced well workovers and the conversion of 9 wells were completed. Production optimization efforts resulted in a total of 46 well interventions executed as part of the well workover program. In Kazakhstan, activities progressed towards first gas. An agreement was reached with the Kazakh Ministry of Energy about the process to conclude the Production Contract Amendment to the Rozhkovskoye FDP. Moreover, FID was taken on the further development of the gas-condensate field as its pre-requisite Front-End Engineering Design was completed, thus project entered EPC phase with tender launched in December. Realization of the well completion campaign confirmed productivity of all five wells affected. In Azerbaijan, a total of 15 wells were delivered within the 2021 drilling program. Additionally, two maintenance programs were accomplished, on Chirag and on West Azeri platforms. Azeri Central East project progressed with significant efforts made to mitigate challenges posed by COVID-19. Chirag Gas Lift System implementation was completed during the year and initiated end of December but suspended until the resolution of some technical difficulties.

In Pakistan, part of TAL block development, the Maramzai Compression project continued, and the Manzalai Secondary Compression project started off with detailed design and engineering. The conversion of Makori-03 well into a produced water disposal well was completed a temporary produced water treatment and injection facility. The high-speed, diesel-driven water injection facility at Makori West water disposal well has been converted to electric driven, with the aim of conserving energy and reducing carbon footprint. Preparations of various reservoir studies started, considering Tolanj West, Maramzai, Manzalai, Makori East and Halini fields. Workover operations started at Manzalai-5 well. By completing production optimization jobs at several fields, an incremental production of 0.1 mboepd was realized, annualized and net to MOL.

In the Kurdistan Region of Iraq, after a suspension on account of COVID-19 pandemic, drilling activities recommenced on Shaikan, with the delivery and completion of wells SH-13 and SH-14, the spud of SH-15, and successful installation of a jet pump on SH-10. An updated field development plan, taking in various elements, was submitted to the Ministry of Natural Resources for approval. On Pearl, the force majeure of the Khor Mor gas plant expansion project was officially lifted, local civil works commenced.

In Egypt, field development activities continued. Of the four development concessions, 16 development wells were drilled, 8 well workovers were completed on North Bahariya, 8 well workovers and interventions were performed on Ras Qattara, 2 workovers were finished on East Yidma. On West Abu Gharadig, production maintenance activities were carried out and the implementation of development projects advanced. On East Yidma, well Rizk-4 was drilled and temporarily abandoned as low oil saturation was determined.

In Angola, maintenance, production platform reparation, water injection and well intervention activities were carried out on Block 3/05, while on Block 3/05A, one well workover was started, and studies are in progress for Punja and Caco Gazela development areas.

Key Exploration & Production Sustainability Indicators	Unit of measure	FY 2021	FY 2020	SASB
Total Direct GHG emissions (scope 1)	mn tonnes CO_2 eq	0.85	0.90	EM-EP-110a.1
Fatalities - own staff and contractors	number	0	0	EM-EP-320a.1
Total Recordable Injury Rate (own staff + contractors)	per 1 mn worked hours	1.08	0.79	EM-EP-320a.1
Process Safety Tier 1 Events	number	0	9	EM-EP-540a.1
Volume of Spills (> 1bbl)	m^3	46	108	EM-EP-160a.2

3.3.3 SUSTAINABILITY OVERVIEW OF 2021

Aiming at minimising the environmental impact of new projects and existing operations of MOL Upstream, several initiatives are in place and have been acted upon in 2021, in order to ensure a safe business environment for our employees and communities everywhere MOL operates. An ongoing pipeline integrity program in the Central Eastern European (CEE) region (in Hungary and Croatia) and in Russia contributed to safer operations as not only did the total amount of spills decrease, but the involvement of employees in reporting these accidents also grew. Road transportation is a key element in daily operations and poses continuous safety risks, therefore the mitigation of these risks through company-wide road safety measures remains a top priority. Furthermore, any employee involved in a preventable road accident is required to take part in safe driving courses.

On top of safety standards and processes prevailing in all areas of business, great emphasis is put on shaping the mindsets of our colleagues. Action plans are continuously being implemented and employees are encouraged to be involved in adhering to Process Safety Fundamentals ("PSF"), with the aim of reducing the risk of personal injuries and promoting the culture of reporting any accident that have had happened. (For more information on the PSF, please see the Sustainability section of this report.) For example, the implementation of a digital learning platform started in 2021 in Hungary to replace traditional, on-site theoretical HSE trainings, and so enabled the continual training of colleagues.

We are also seeking ways to limit our impact on the environment with projects that will also help achieve the strategic ambitions of the Group. Among other pursuits and in line with the World Bank's "Zero routine flaring by 2030" initiative, we aspire to eliminate flaring and venting activity in every country where MOL Upstream is actively present. Leveraging on a long track record of handling carbon dioxide and utilizing depleted reservoirs in the CEE region, our objective is to become Scope 1 and 2 carbon neutral on portfolio level by 2030. In 2021 and only in Croatia, over 0.2 billion cubic meters of CO_2 was injected into fields by the EOR projects ongoing, more than 1.3 billion cubic meters since its start, the majority of which is permanently stored. Through the application of carbon capture, utilization, and storage (CCUS), we focus on capturing emissions internally and of third parties in a safe way and following internationally recognized practices.

3.4 DOWNSTREAM

Segment IFRS results (HUF bn)	FY 2021	FY 2020 Restated	Ch %
EBITDA	500.7	167.2	200
EBITDA excl. spec. items[(1)]	**500.7**	**167.2**	**200**
Clean CCS-based EBITDA[(1) (2)]	**450.7**	**229.1**	**97**
o/w Petrochemicals[(1) (2)]	247.2	80.6	207
Operating profit/(loss) reported	348.9	7.7	4,431
Operating profit/(loss) excl. spec. items[(1)]	**348.9**	**21.4**	**1,530**
Clean CCS-based operating profit/(loss)[(1) (2)]	**298.9**	**83.3**	**259**
CAPEX (including inorganic)	**206.7**	**220.0**	**(6)**
o/w transformational	88.7	115.2	(23)

MOL Group Without INA	FY 2021	FY 2020 Restated	Ch %
EBITDA excl. spec. items[(1)]	466.5	208.4	124
Clean CCS-based EBITDA[(1) (2)]	**427.7**	**232.6**	**84**
o/w Petrochemicals clean CCS-based EBITDA[(1) (2)]	247.2	80.6	207
Operating profit/(loss) excl. spec. items[(1)]	341.2	92.7	268
Clean CCS-based operating profit/(loss)[(1) (2)]	**302.3**	**116.8**	**159**

INA Group	FY 2021	FY 2020 Restated	Ch %
EBITDA excl. spec. items[(1)]	34.2	(41.3)	n.a.
Clean CCS-based EBITDA[(1) (2)]	**23.0**	**(3.5)**	**n.a.**
Operating profit/(loss) excl. spec. items[(1)]	7.7	(71.3)	n.a.
Clean CCS-based operating profit/(loss)[(1) (2)]	**(3.5)**	**(33.4)**	**(90)**

Refinery margin	FY 2021	FY 2020 Restated	Ch %
Total MOL Group refinery margin UPDATED (USD/bbl)	**2.9**	**n.a.**	**n.a.**
Complex refinery margin (MOL+Slovnaft) UPDATED (USD/bbl)	**3.5**	**n.a.**	**n.a.**
Total MOL Group refinery margin (USD/bbl)	**4.1**	**2.8**	**47**
Complex refinery margin (MOL+Slovnaft) (USD/bbl)	4.6	3.2	43
MOL Group petrochemicals margin (EUR/t) [(9)]	719.9	384.3	87

External refined product and petrochemical sales by country (kt)	FY 2021	FY 2020 Restated	Ch %
Hungary	4,788.0	4,600.2	4
Slovakia	1,783.0	1,760.1	1
Croatia	2,027.0	1,837.9	10
Italy	1,645.0	1,583.7	4
Other markets	8,273.0	8,272.3	0
Total	**18,516.0**	**18,054.2**	**3**

External refined and petrochemical product sales by product (kt) [(13)]	FY 2021	FY 2020 Restated	Ch %
Total refined products	**17,040**	**16,612**	**3**
o/w Motor gasoline	3,302	3,295	0
o/w Diesel	10,257	9,815	5
o/w Fuel oil	362	341	6
o/w Bitumen	580	550	5
Total petrochemicals products	**1,476**	**1,443**	**2**
o/w Olefin products	213	213	0

Change in regional motor fuel demand	Market			MOL Group sales		
FY 2021 vs. FY 2020 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	6	8	7	3	4	3
Slovakia	3	5	4	(2)	3	2
Croatia	12	11	11	11	11	11
Other	8	7	7	13	6	8
CEE 10 countries	8	7	7	7	6	6

CAPEX (in HUF bn)	FY 2021	FY 2020	YoY Ch %	Main projects in FY 2021
Refining & Marketing	100.7	87.3	15	**MOL**: HFA Lifetime extension; Development of crude unload, storage, and dispatch at Csurgó site; Increasing the efficiency of Desalters; Catalyst replacement **SN**: Reliability blow down water pipelines; Catalyst replacement **INA**: Rijeka Refinery Upgrade Project; Propane-propylene splitter; Catalyst replacement; Revitalization of the hydrant net
Petrochemicals	102.7	129.5	(21)	**MPC (MOL)**: Polyol Project; MPC SC1 Boiler replacement; PSA installations in SC1-2; MPC SC1 Lifetime extension; **SN**: Ethylene Storage tanks; Reconstruction of Furnaces BA101, BA103, BA104; PP3 unit revamp (growth part); Reconstruction of extruder at PP3; Intensification of CC5 cooling centre
Power and other	3.3	3.2	2	
Total	**206.7**	**220.0**	**(6)**	

Notes and special items are listed in Appendix I and II.
Tables regarding processing and production of the refineries of MOL Group (Duna, Bratislava, INA in kt); External Refined Product Sales (kt); Crude oil product sales (kt); Petrochemical production (kt); Petrochemical sales (kt); Petrochemical transfer to Refining and Marketing (kt) are available in the annual Data Library on the company's website.

Key Downstream Sustainability Indicators	Unit of measure	FY 2021	FY 2020	SASB
Total Direct GHG emissions (Scope 1)	mn tonnes CO_2 eq	5.88	5.91	EM-RM-110a.1
o/w under ETS	mn tonnes CO_2 eq	5.81	5.85	EM-RM-110a.1
Fatalities - own staff and contractors	number	0	2	EM-RM-320a.1
Total Recordable Injury Rate (own staff + contractors)	per 1 mn worked hours	1.42	1.49	EM-RM-320a.1
Process Safety Tier 1 Events	number	8	2	EM-RM-540a.1

3.4.1 FINANCIAL OVERVIEW OF 2021

In 2021 Downstream reached a record high HUF 450.7bn (USD 1,489mn) Clean CCS EBITDA, which is 97% higher than the previous year's performance. The exceptional result was mainly driven by all-time high petchem performance, delivering more than 50% of Downstream Clean CCS EBITDA, while good asset availability also acted as enabler for exceptional performance. R&M segment managed to exceed the base level along with the recovering macro and market environment from the COVID-19 driven low base. Advancing energy prices and CO_2 related costs partially offset the positive impact of the economic recovery. In response to the rapidly changing energy and carbon price environment the Downstream CO_2 Board launched, and CO_2 quota strategy development initiated to mitigate the financial impact of CO_2 emission. Additionally, in daily operation, selection of available crude types, operation modes as well as energy sources are thoroughly analyzed and optimized to mitigate pressure on hiking utility prices.

In Refining in 2021 increased gasoline crack spread and wider discount on Urals resulted in stronger headline refinery margin, however, remaining pressure on slightly lower diesel crack spread and high energy prices limited gains. Total fuel sales, including domestic fuel demand, started to gradually recover from pandemic and increased, though jet remained subdued on remaining pandemic restriction. On other hand rising quotation environment hindered domestic markup levels, mainly on fuels. Margin capture was limited by more intense turnaround, as major maintenance activities were postponed from 2020 as reaction to COVID-19 situation, while 3rd party product purchase utilized supporting smooth market supply.

MOL Group Petrochemical margin was an average 336 EUR/t higher vs 2020 reaching all-time heights in first half of 2021. This higher margin was attributable to much stronger polymerization spreads on tight end-product supply. Although rapidly growing polymer quotations during H1 2021 hit polymer price levels. Next to that, Petchem business had higher production on smooth asset operation and full capacity utilization supporting stable monomer and polymer sales, also accompanied by lower Stream Cracker energy consumption.

Total Downstream investments reached HUF 206.4bn moderately below the base year spending. This amount was almost evenly split between Refining and Marketing and Petrochemicals. Strategic projects such as polyol and Rijeka refinery upgrade continued to play a strong role within organic investments.

Regarding ongoing transformational projects, the construction works of the new polyol complex in Tiszaújváros reached 94% completion by the end of 2021. The Rijeka Refinery Upgrade Project related engineering and purchasing activities finished according to the plans. The mechanical completion is expected in 2023.

3.4.2 OPERATIONAL OVERVIEW OF 2021

MOL Group's 2030 'Enter Tomorrow' strategy key directions are still valid and confirmed, however, an acceleration of the original fuel transformation strategy is necessary. To achieve the set directions, Downstream will focus on four areas (Efficiency, Fuel transformation, Diversification, Sustainability) with customer and people focus as an enabler to build a resilient investment portfolio.

Despite of the prolonged pandemic situation and the rescheduled maintenance processes, Group DS **Production** has closed the year with an improved overall availability in Refining (95.4%) and also in Petrochemicals (95.4%), which was a great enabler to take advantage of stronger external environment, as a result total processing reached 17mn ton in Refining. Production effectively reacted to the changes with re-optimization of maintenance and project related activities and related spending while keeping up mechanical availability of the assets. With a dynamic and thorough crisis management Production successfully protected its people and was able to ensure the continuous operation of its production assets. Despite of the heavy turnaround season during 2021 Production has successfully maintained the personal safety. In order to support our strategic project Production has ensured the required operational personal and competency staffing for the 2022 start-up of the Polyol site.

Logistics is focused on customers satisfaction through providing competitive services, adapting to everchanging environment, transforming to sustainable operation driven by engaged employees. These are our commitments within the 2025 roadmap. In 2021, we continued with actions to reduce the cost of our operation. Internally we completed two excellence studies in Polymer and Rail operation, with a combined OPEX saving of 6.6mn USD by 2025. Distribution Network Optimization (DNO) study was completed with a promising saving potential, action plan will be detailed in H1 2022. Energy Efficiency was kicked off with focus on fuel, electricity and steam consumption, also due to rising energy costs. Switch to 42-ton road weight was made in Hungary, meaning we can transport more fuel in one run. Our employees remain the cornerstone of our business and we achieved the best Employee Engagement Satisfaction survey result ever at 83%. We strive to provide a safe work environment; this can be seen in Total Recordable Injury Rate (TRIR) in more details in the Sustainability Report. Additionally, we continued our efforts of installing seeing machines to prevent driver fatigue & distraction. In 2021, the preparations for our biggest project have been made, the diesel/naphtha interconnector (DANI) pipeline connecting the Százhalombatta and Bratislava refineries, with the project currently being revaluated for additional benefits. Although Logistics has a relatively small contribution to the CO_2 emission on Downstream level, we strive to make further improvements in this area as well, by procuring new trucks that use less fuel and with the DANI project making up for 50% of all CO_2 reduction. Great contribution to Sustainability was achieved with the Pallet Pooling system being implemented. In INA at the Sisak site, we integrated fuel and fuel oil blending assets from Production to Logistics, alongside efficiency improvements. Challenges remain in attracting new skilled workforce particularly train and truck drivers, we set out a plan to tackle these issues within our newly launched community engagement program and by working with HR on attracting skilled workforce for our operations.

Volatility and series of unexpected pandemic impacts characterized the Downstream markets in 2021. After the learnings of 2020, when commerce, supply and optimization activities were often driven by crisis management, the main theme of 2021 became utilization of opportunities offered by the gradual recovery on the Downstream markets. Frequently changing market circumstances were constant in 2021, so adaptation and quick reaction was crucial. **Commerce & Optimization** successfully maintained full continuity of supply chain even with increasing energy & CO_2 quota prices impacted significantly the cost structure. Markets still impacted by pandemics but with decreasing volatility. Local Petrochemicals markets supported by global logistics disruptions (Integrated Petchem margin was above long-term historical average combined with solid regional demand resulting strong petchem earnings). Besides these we needed to focus on stronger than ever, how we want to adapt the new directives which will regulate the whole future of the industry. In two waves an exhaustive review of the operations and structure was implemented as a focused efficiency improvement program. The goal of the review was to assess Commerce & Optimization activities and further develop processes and structure while improving our customer service with more flexible, reliable and tailor-made products and services. In 2018, a new group wide unified B2B customer satisfaction monitoring methodology was implemented seeking to constantly measure customer satisfaction across MOL Group spanning the wholesale product portfolio (including fuel and petrochemicals). In 2021 MOL Group reached 93.6% satisfaction with 4.2 percentage points increase. MOL Group keeps increasing B2B customers' satisfaction by focusing on development of digital business solutions. As part of the Digital Roadmap, CRM project reach the second phase of the implementation with core functionality roll-out. Internet Sales Application was already rolled-out to several subsidiaries of MOL Group but in 2021 Export webISA went-live. Partner Portal AddsUp project launched for enhancing customer experience by new features and integrating more applications into Partner Portal. Further advance preparing in Polyol complex ramp-up in line with updated Group strategy's transformation pillar.

In **Development** in line with MOL Group strategic objective - to transform production from fuel to more competitive goods by increasing the share of non-fuel products - investigation and assessment of selected large-scale fuel transformation opportunities have been carried on, decision on financial authorization is expected in 2022. Besides fuel transformation, to enhance sustainability, assessment of green hydrogen production has started by involving selected potential technology providers.

The flagship **Polyol Project** of MOL Downstream has reached an overall 94% progress by the end of 2021. In March 2021, in order to agree on the sharing of costs and risks that the ongoing COVID-19 pandemic has imposed on the construction, the Board of Directors approved that an Amendment Agreement is entered into with the EPC (Engineering, Procurement and Construction) Contractor of the Project. In the contract amendment, a one-year extension of the handover date of the complex was agreed, along with prevention measures and contractual mechanisms to address the remaining impact of the pandemic.

With the Amendment Agreement concluded, the estimated budget of the Project has been modified to EUR 1.3 bn, an app. 7% increase to the original budget.

In the further part of 2021, the COVID-19 situation has continued to affect construction activities. With vaccines becoming Europe-wide more available, a campaign has been organized to enhance the immunization status of the work force on site reaching close to 3,000 in the peak period.

By the closure of year 2021, construction has reached almost 90% progress (besides engineering and procurement being almost finalized), moving the completion and the highly complex facilities commissioning into the focus of project management. Whilst COVID-19 remains a concern in 2022, the trial production of the facilities is expected to commence in the second half of the year. The start-up of the process units is more than a technical challenge, given that the volumes produced on the new product lines need to be introduced to and accepted by the markets.

Information of Downstream related sustainability developments, including health & safety, environmental performance, employee and community engagement, can be obtained from the Sustainability Report.

3.4.3 DOWNSTREAM FUTURE PRODUCT PORTFOLIO

MOL Group Downstream is in a continuous process of developing its future product portfolio, launching new products and services that not only mitigate low-carbon transition risk, but capitalize on opportunities created by a carbon constrained, circular economy.

Biofuels in MOL Group

During 2021 MOL Group purchased and blended more than 650kt of biofuels (bioethanol and biodiesel) in 8 countries. Besides, after launching the co-processing of waste fats and oils in MOL's Danube Refinery in 2020 (and by doing so becoming a biofuel producer) decarbonisation of the fuel portfolio was continued in 2021 by adding such biological originated molecules on a regular basis. Similar projects are under assessment in our Slovakian (Slovnaft a.s.) and Croatian (INA d.d.) refineries.

On top of this activity final grade Hydrogenated Vegetable Oil (HVO) was also blended in the Bratislava refinery.

2021 was the second year when some of our core markets – Hungary, Slovakia, Romania – distributed E10 gasoline which has been the standard main grade petrol ever since. In order to further improve the ecological footprint of our fuels MOL started to produce and blend bio MTBE made of advanced biomethanol. This is another important milestone to meet the goals of MOL Group's new 'Shape tomorrow - 2030+ Strategy'.

RED II & Fit for 55

A new era started in 2021 when EU's new Renewable Energy Directive entered into force. In addition to increased target of total renewable share in transportation (up to 14 e% in 2030 from 10 e% in 2020) advanced biofuels also became an obligatory element of the fuel portfolio from 2022 on. As a frontrunner on the markets MOL Group started to include advanced biodiesel as well as bioethanol and bio MTBE into its product portfolio already in 2021.

In July 2021 the European Commission disclosed its Fit for 55 guideline proposal which sets ambitious goals for decarbonisation (among others in transportation) until 2030. MOL Group extended its already running technological investigation activity – which also includes potential future (in)organic investments – to new business areas in order to prepare for and achieve compliance until the end of the decade.

R&D and Biofuels

In 2021, Downstream **R&D** continued its activities and projects across four main areas: Refining, Polyolefin, Polyol and Advanced & Sustainable Technologies. R&D has a vital role in the Polyol Project by developing and upscaling product recipes for the start-up of production, while ensuring the necessary polyurethane application development know-how for MOL Group's future customers for polyols. The recently inaugurated Polyol R&D Center reached its full operating capacity and was able to complete the most important product developments for start-up. Several important R&D projects passed critical milestones (green hydrogen projects in MOL and INA to decarbonize crude-based fuel consumption and as fuel; projects on advanced and sustainable fuels as well as on mechanical and chemical recycling of waste). In the polyolefin area, several new product recipes were developed to address the increasing demand of customers for more sustainable plastic recycling and compounding solutions, as well as in the field of virgin polyethylene/polypropylene for new application segments. Two advanced feedstocks for refinery diesel co-processing were successfully tested in small scale reactors. New product recipes with improved performance for premium gasoline, diesel, racing gasoline and another one in the bitumen area with improved economics were developed in different refineries. After an extensive testing phase and a fruitful co-operation with a bio-supplier

MOL has given green light to blend advanced biofuel into diesel. MOL's co-processing process won an award in 2021, the Environmental Innovation Award by the Hungarian Ministry of Agriculture for the most significant innovation achievement of the year 2020.

Two projects funded under the EU Research and Innovation scheme and with participation of MOL Group were closed successfully in 2021: 4REFINERY on the development of advanced biofuels made from lignocellulosic biomass and REDIFUEL on the utilization of biomass feedstock for EN590 diesel production with high biofuel content. MOL Group is member of the consortia of several nationally funded R&D projects in collaboration with Hungarian universities (Budapest University of Technology and Economy, University of Szeged, University of Pannonia) and other industry partners. Through its subsidiary INA, MOL Group furthermore participates in two research projects funded by the Croatian Science Foundation: NEOPLAST (advanced energy carriers in recovery plastic waste) and a project targeting the development of functional biofuels and (bio)additives.

Compounding Project

In October 2021, the extension of the compounding product portfolio was launched at the Fakuma international trade fair for plastic processing in Friedrichshafen, Germany to complement the 100% recyclate portfolio of **Aurora** Kunststoffe GmbH. Now MOL Group can offer polypropylene compounds with 100% virgin and up to 100% recyclate.

MOL Group entered into a strategic partnership with Swiss trading group **Meraxis** in September 2020. Under the agreement, Meraxis will supply MOL Group with high-quality, post-consumer recycled materials to be blended with MOL virgin polyolefin resins. At a first instance, it is planned to be produced at the Aurora Kunststoffe production facility. The partnership creates a unique value proposition to customers by providing competence in the entire product value chain from sourcing, compounding and sales to technical service. Development has started in 2020 for polypropylene-based recyclate-compounds and further grades will be developed for the automotive, furniture and construction industries.

MOL Group entered the market of recycled plastic compounding in 2019 by acquiring **Aurora** Kunststoffe GmbH, a German-based company focusing on the production of engineering plastic compounds. The specifically collected post-industrial plastic residues are grinded into flakes and further processed into customized compounds. In the beginning of 2019, Aurora completed a new compounding facility in Neuenstein (Germany), doubling its production capacity. With this investment Aurora produces up to 15kt of sustainable high-quality compounds per year, achieving a total saving of 52kt CO_2 equivalents in 2021. The products are used in multiple applications primarily in the automotive, construction and consumer industry. Common development between Aurora and MOL Product Development started in 2020 to develop polypropylene compound recipes based on MOL base polymers for several interior, exterior and under-the-hood parts of passenger cars.

Recycling Project

In 2020 the first recyclate content in-house developed product (see also at R&D) was undergoing its first test production: the 30% Post-Consumer Recyclate (PCR) containing HDPE compound targets the rigid packaging sector, which is the most exposed to potential plastic regulations following the recent EU Green Deal. The customer testing – involving customers from several countries – brought back good initial quality feedback, confirming the expectations of delivering a product with near-virgin qualities, which is a pioneer in MOL's own recyclate product portfolio to come in the next few years, targeting various segments and applications. Development continued into 2021 with various percentages of PCR and waste sources.

APK AG, MOL Group's strategic partner for plastics recycling since 2018 located in Merseburg, Germany, was supported in 2020 in order to stabilize their Post-Industrial (PIR) based low-density polyethylene (LDPE) and polyamide (PA) production, with a total annual capacity of 8,000 tons. In 2021, successful trials were carried out with Post-Consumer (PCR) waste processing, and based on detailed investigation, the advanced technical solution will be further developed to be market ready for PCR waste utilization consumption.

Lubricant producer and distributor **MOL-LUB** provides contracted partners and other participants collection of waste oil. Contracted partners deliver the waste oil to the Zala site, where it will be recycled (6,948 tons in 2021), thereby re-entering the industrial cycle as an essential element for bitumen production. Through the lubricant waste collecting service, MOL Group ensures that lubricants – such as motor oil or hydraulics oil – which are classified as hazardous waste, are be transformed into fluxing oil, which is an important element for bitumen production. MOL-LUB contributes to recycling 6-7 thousand tons of waste lubricant oil per year and takes care of treating 99% of waste oil product within the company since 2011. MOL Group also ensures collection and treatment of other waste oils: combustible waste is delivered to the Danube Refinery incinerator, while non-combustible waste (e.g. metal) is handed over to contracted partners (570 To in 2021).

3.5 INNOVATIVE BUSINESSES AND SERVICES

2021 was another strong year for the Innovative Businesses and Services segment, with record breaking financial performance.

3.5.1 Consumer Services

Segment IFRS results (HUF bn)	FY 2021	FY 2020 Restated	Ch %
EBITDA	182.5	156.2	17
EBITDA excl. spec. items(1)	**182.5**	**156.2**	**17**
Operating profit/(loss) reported	143.4	114.4	25
Operating profit/(loss) excl. spec. items(1)	**143.4**	**114.4**	**25**
CAPEX	**47.1**	**39.5**	**19**
o/w organic	47.1	39.5	19

Total retail sales (kt)	FY 2021	FY 2020	Ch %
Hungary	1 313	1 257	4
Slovakia	709	678	5
Croatia	1 054	934	13
Romania	790	691	14
Czech Republic	486	462	5
Other(8)	419	364	15
Total retail sales	**4 771**	**4 386**	**9**

Non-fuel indicators	FY 2021	FY 2020
Non-fuel margin	28.6%	27.2%
Number of Fresh corner sites	1 069	955

Key Retail Sustainablity Indicators	Unit of measure	FY 2021	FY 2020	SASB
Total Energy Consumption (direct+indirect)	mn GJ	0.62	0.68	CG-MR-130a.1
Total Recordable Injury Rate (own staff + contractors)	per 1 mn worked hours	0.71	0.75	-
Process Safety Tier 1 Events	number	1	1	-

Notes and special items are listed in Appendix I and II.
Tables regarding the number of MOL Group service stations, retail sales of refined products (kt) and gasoline and diesel sales by countries (kt) are available in the annual Data Library on the company's website.

3.5.1.1 FINANCIAL OVERVIEW OF 2021

In 2021 Consumer Services EBITDA increased by 17%, reaching HUF 182.5bn (USD 605mn) resulting in another year-on-year double-digit-growth. Easing pandemic restrictions led to an uplift in domestic and regional travel, resulting in a 9% fuel volume increase year-on-year. Premium penetration grew steadily year by year and reached 32% in 2021. Non-fuel margin also increased significantly, by 21% year-on-year, and its share within total margin represents almost 29%.

3.5.1.2 OPERATIONAL OVERVIEW OF 2021

The segment consists of two main business lines: "Retail" includes both fuel and non-fuel retailing, while "Mobility" is comprised of all other services provided for people "on-the-go".

Retail

Retail completed over 200 reconstructions, including forecourt, car- and jet-wash reconstructions and the installation of the new non-fuel concept, Fresh Corner at the stations. By the end of 2021, MOL Group's service station network consisted of 1,870, whilst reaching 1,946 stations when combined with the franchise. MOL Group maintained a leading position on the Hungarian, Croatian and Slovakian markets, as well as in Bosnia and Herzegovina, remained the second largest market player on the Czech market, and the third largest in Slovenia, Romania and Montenegro. More information on the installation of EV chargers across the Group service station network can be obtained from the "Mobility" section below. Information on retail safety measures following the outbreak of COVID-19 can be obtained from the Sustainability Report.

The implementation of the non-fuel concept accelerated, 114 Fresh corners were added across the network taking the total number of Fresh Corners to 1,069 with 15 lost time injuries. The Fresh Corner concept is constantly being developed through the continuous expansion of the gastro and grocery categories. The offering was also expanded by a wider range of convenience services (e.g., self-service and innovative payment solutions) and a new Fresh Corner Café, standalone concept store, was opened successfully in Budapest. After the successful start of the renewed coffee concept MOL Group launched its own branded coffee beans, Fresh Corner milk and introduced the French-type hot-dog which already became a flagship gastro product. Together with other options (sandwich, bakery etc.) MOL Group offers hot snacks in ca. 900 service stations for the people on the go.

Retail Customer

Consumer Services systematically collects retail customer insights and tracks overall customer satisfaction through a number of channels. As a result, MOL Group does not operate with (and therefore does not report) a single score for Retail, as several customer satisfaction scores are applied depending on the insight channel.

A customer insight system called Brand Tracking was operational in 7 countries involving overall 3,000 customers per country (so overall 21,000 in MOL Group) in a way of monthly data collection (250 Customers per month per country). It's providing data for 25 different KPIs including fuel, gastro, store hygiene, loyalty programs and staff behaviour. Besides, brand awareness and brand powers are continuously measured as well. During 2020, MOL Group conducted its biggest research to date called Fresh Corner Usage & Attitude (U&A), involving almost 10,000 customers in 7 countries via 4 different channels in order to understand expectations and certain non-fuel shopping habits. In 2021 it was followed by a fuel U&A research also in 7 countries with more than 7,000 customers. Insights gathered from U&As should help in creating a more customer centric decision-making, supporting the retail transformation of the Group. Improvements covered hot sandwich range renewal, new fresh sandwich placement and packaging, improved hot-dog network coverage and fine-tuned activities like prize winning games or promotions. Based on customer feedback the car wash service was also renewed.

MOL Retail's customer loyalty program constitutes a key element in the digital transformation of Consumer Services. A new, digital, gamified, tier-based rewards program was finalized during 2020, allowing personalized and highly automated communication across different channels. The new program was introduced in Croatia in 2020 and by now the number of registered users is more than 300,000 with high share of active users. The program was also rolled out in Slovenia in 2021. Altogether, active loyalty customer base reached almost 3 million in 2021, and the mobile application (which is available in seven countries) had more than 700,000 downloads. MOL consciously uses mystery shoppers (selected through tender) when measuring customer satisfaction across different channels to avoid internal biased systems. Digitization is also increasingly present in our internal operation via the extensive use of Artificial Intelligence and Machine learning-based tools and also support the execution via our online, gamified learning tool, eSMILE.

eSMILE

As a consumer facing business, employee engagement plays a major role in the transformation of Consumer Services and enhancing customer experience. In 2017 MOL Group introduced a face-to-face training program called 'Smile' for more than 15,000 service station staff, covering both hosts and station managers, with the aim to improve customer service. In 2020 MOL Group expanded employee training and development through a digital microlearning training platform called eSMILE, which is available on their smart phones. The mobile training platform expands the Group's training portfolio on product, process, sales, compliance and HSE relevant topics and reinforces previously shared knowledge. Furthermore, the new platform connects the Group directly to each member of staff working at the Group's service stations. It allows real-time communication from head office about the latest sales promotions, company updates and it was especially important during the pandemic, when we were able to share the latest operational changes, ensuring a safe working environment and safe consumer experience. Since 2021 the platform also supports new-hires in their onboarding experience, helping them to hit the sales floor confident and in shorter period compared to before. Moreover, for the first time, MOL Group conducted Employee Engagement Survey among frontline employees too, considering the fact we could reach each and one of them. With the help of eSMILE, 96% response rate was achieved, and valuable feedback was gathered. For more detailed information check the Sustainability report.

The platform is based on gamification elements which boosts employee engagement and wellbeing in the workplace. This results in a stable-high usage of the platform, with 96% of frontline staff using eSMILE every day when at work, resulting in an average 17% increase in knowledge from the training topics. These programs support should not only help the transformation of the Group's service station from fuel retail into FMCG retail but also the continuous increase non-fuel revenues.

Mobility

In 2018, MOL Group launched MOL Plugee, a new EV charging brand under the Consumer Services division. By year end 2021, 178 Plugee EV chargers were installed throughout the Group's services station network across the CEE region. Of the 178 EV chargers operated by MOL Group, 147 have been installed under the NEXT-E program. In July 2017, the NEXT-E project was selected by the European Commission for co-financing through the Connecting Europe Facility. Within the framework of this project, the NEXT-E consortium installs 222 multi-standard fast chargers (50kW) and 30 ultra-chargers (150-350kW) along Trans-European Transport Network (TEN-T) core corridors and core network. The first EV charger under the NEXT-E program was installed in 2018, and the final completion was done in 2021. Of the 252 EV chargers deployed under the NEXT-E program, MOL Group's share was set at 147 chargers to be deployed across its service station network located on TEN-T corridors, creating an interoperable and non-discriminatory network of EV charging points, allowing long distance travel across six CEE countries based 100% on electricity. MOL Group launched its application based service in Hungary in 2020 and in Slovenia, Slovakia, Czech Republic, Croatia and Romania in 2021. It enables our more than 13,000 registered users and other customers to have a seamless charging experience in 6 countries. Energy consumption for all EV chargers in 2021 reached 1,029,000kWh, saving a total of above 1,545 tonnes of CO_2-eq.

The e-mobility goal of MOL Group in 2022 is to install ultra-fast chargers (150kW) in 14 new locations in Romania as a part of a 15-year concession, and to obtain additional EU subsidy for network development across 6 countries together with E.ON Group under the auspices of the CEF2 (CONNECT-E) program. In this project, our goal is to receive subsidy for nearly 200 electric car chargers (with a minimum capacity of 150kW) and the related power network developments.

In 2022, our main goal is to develop the IT side of the MOL Plugee services, the most significant elements of which are the integration of fuel cards issued by MOL Group as a payment option, the integration to our loyalty application and the connection to external e-charging networks via the HUBJECT e-roaming platform (primarily through actors, we have been partners in the NEXT-E project in recent years). Through all these developments, our electric car customers will be able to use our e-charging service more comprehensively and comfortably.

In 2018, MOL Group launched a car sharing service in Budapest (Hungary) called MOL LIMO. By 2021 year-end, a fleet of 450 shared cars from 12 different models were in operation (5 electric, 1 hybrid and 6 petrol), with the number of electric vehicles (EVs) were 144. In 2021, MOL LIMO introduced 2 new models to its fleet, the Opel Combo Cargo (providing urban light freight option for customers) and the Fiat 500 Hybrid. Since 2020, Budapest city coverage is 86km^2, reaching key transportation hubs. Total number of registered users reached approximately 100 thousand by year-end 2021. Energy consumption of all LIMO EVs reached 313,490kWh in 2021, saving an equivalent of around 209 tonnes of CO_2-eq., assuming all electricity used is from a green source.

KEY MOL LIMO SUSTAINABILITY FIGURES	UNIT OF MEASURE	FY 2021	FY 2020	SASB
Average fleet size	number of vehicles	450	450	TR-CR-000.C
o/w electric	percentage	32	22	-
Average vehicle age at year end	in months	24.1	15.5	TR-CR-000.A
Vehicles rated by Euro NCAP programs with an overall 5-star safety rating	percentage of fleet	11	22	TR-CR-250a.1
Vehicles recalled during period	number	0	0	TR-CR-250a.2

As part of MOL Group's mobility strategy, a fleet management service called MOL Fleet Solution was launched in 2018. The main target is to finance and manage vehicles owned and used by MOL Group and external clients, as well as the fleets of small-, medium-sized or large businesses in Hungary. The number of financed and managed cars reached almost 4,500 by the end of 2021. MOL Fleet Solutions targets the size of its fleet to reach 10,000 cars by 2026.

KEY MOL FLEET SUSTAINABLITY FIGURES	UNIT OF MEASURE	FY 2021	FY 2020	SASB
Average fleet size	number of vehicles	4392	3797	TR-CR-000.C
o/w electric and hybrid	percentage	7	10.4	-
Average vehicle age at year end	in months	28.8	19.4	TR-CR-000.A
Vehicles recalled during period	number	503	306	TR-CR-250a.2

Neither MOL Limo nor MOL Fleet Solutions registered any incidents concerning a) non-compliance concerning product and service information and labeling, and/or b) non-compliance with marketing communication during 2021. Finally, no incidents or complaints concerning breaches of customer privacy and/or losses of customer data as a result of data breaches were registered at neither MOL Limo nor MOL Fleet Solutions during 2021.

3.5.2 INDUSTRIAL SERVICES[14]

Industrial Services was established with the aim to provide oilfield and maintenance services for MOL Group internal customers / third-party companies. The strategic aim of Industrial Services is to improve the quality and level of services, to internal customers as well as utilizing internal know-how to provide services to third party customers.

In 2021 recovering from Pandemic lows the contribution of Oilfield Service companies (OFS) improved. In parallel the transformation of OFS companies continued to adjust the organization reflecting changes in demand from Central and Eastern Europe and MOL Exploration and Production. Strong focus was on exploiting synergies amongst all OFS companies by generating INA-MOL joint drilling program and cross-country, cross-service utilization. These actions helped to optimize CAPEX/OPEX results in an ongoing pandemic environment.

Maintenance Companies' (SSC) continued to focus on driving discipline and efficiency. Complex Maintenance Spending (CMS) saving program and Maintenance Service Companies efficiency programs suggested the revision of key performance indicators and common targets with Downstream Maintenance organization. In 2020, due to COVID-19 a significant part of the maintenance works was cancelled or postponed therefore, in 2021 all the necessary maintenance for the basic operation was introduced.

Oilfield Chemicals and Technologies first major Enhanced Oil Recovery (EOR) project started in 2021. Due to the continuous business development activities several projects (EOR, rubber modified bitumen) progressed to the planning phase in 2021.

During 2021, MOL Group's total solar power generating capacity remained unchanged at 30 MWp, as no expansion was undertaken during the year. A combined 40,728 MWh of renewable electricity was generated during 2021 from previously installed assets (see 2019 Annual Report).

3.6 GAS MIDSTREAM

Segment IFRS results (HUF bn)	FY 2021	FY 2020	Ch %
EBITDA	41.2	62.0	(34)
EBITDA excl. spec. items[1]	**41.2**	**62.0**	**(34)**
Operating profit/(loss) reported	24.5	45.5	(46)
Operating profit/(loss) reported excl. spec. items[1]	**24.5**	**45.5**	**(46)**
CAPEX and investments	**22.4**	**11.6**	**94**
o/w organic	22.4	11.6	94

Key Gas Midstream ESG Indicators	Unit of measure	FY 2021	FY 2020	SASB
Total Direct GHG emissions (scope 1)	mn tonnes CO_2 eq	0.1	0.18	EM-MD-110a.1
Volume of Spills (> 1m³)	m³	0	0	EM-MD-540a.1
Lost Time Injury Frequency (own staff)	per 1 mn worked hours	4.11	0	EM-MD-540a.4

Tables regarding transmission volumes (million cmc) are available in the annual Data Library on the company's website.

3.6.1 FINANCIAL OVERVIEW OF 2021

FGSZ Földgázszállító Ltd (hereinafter referred to as: FGSZ) reached HUF 41.2bn (USD 136mn) EBITDA in 2021, a 34% decline from last year, mainly driven by deteriorating economical environment which resulted in significantly lower natural gas transmission demands and increasing gas prices. Regulated revenues were lower by 17% year-on-year mainly due to the decline of export transmission demands to neighboring countries (e.g. Ukraine, Romania, Croatia and Serbia) by almost 55% year-on-year, which generated significantly lower demands of cross-border capacity bookings in line with changes of regional gas market demands, while domestic transmission volumes show a moderate increase by 4% year-on-year, as harsher winter weather conditions resulted in higher domestic gas consumption. Non-regulated transit revenues fell back by 90% in 2021 compared to the prior year, as transmission towards Serbia and BiH has stopped in 2021 (Balkan Stream pipeline was completed by the end of 2020). Operating expenses were similar to the previous year despite the sharply climbing gas purchase prices and CO_2 quota prices, fuel gas consumption reduction and strict cost control had a favourable effect on operating expenses.

Total value of CAPEX and investments almost doubled compared to prior year, as FGSZ completed the development of Serbian-Hungarian cross-border interconnection point by 1st October 2021, while spending on sustain-type projects (e.g. pipeline rehabilitation, reconstruction of compressor units) show a moderate increase compared to 2020.

3.6.2 OPERATIONAL OVERVIEW OF 2021

FGSZ's main activity is the operation of the high-pressure natural gas transmission system in Hungary, and as a natural monopoly it operates on a regulated basis governed by EU and domestic law. After the acquisition of Magyar Gáz Tranzit (MGT) in 2019, FGSZ became the sole operator of the nearly 6,000 km long transmission system in Hungary. Beside the domestic natural gas transmission, FGSZ is also engaged in international transmission activities and operates bidirectional interconnection points with the Slovak Republic, Ukraine, Romania, Serbia and Croatia and unidirectional inlet point from Austria.

The security of supply of Hungary is inseparable from the energy security of the broader CEE region. Therefore, FGSZ aims to ensure the interoperability of the natural gas networks of the region; while also striving to increase the volume of transmission through Hungary. The developments of the pipeline and trade infrastructure implemented by FGSZ in the recent years helped Hungary and the broader region as well in reaching a more competitive gas market while increasing security of supply and making natural gas accessible as a lower carbon alternative in – among others – electricity generation.

To further enhance regional market integration, FGSZ completed several important developments on its network in 2021. In October 2021 a new non-EU interconnection point was launched at the Serbian border to boost the import capacities from the Southern Gas Corridor to be prepared for the future challenges posed by the accelerating decarbonisation efforts, FGSZ started to evaluate its infrastructure for the transmission of low-carbon and decarbonised gases.

The Regional Booking Platform (RBP) of FGSZ is an IT application developed in accordance with the EU network code governing the capacity allocation mechanisms used in natural gas transmission networks and with other relevant EU and national legislation[10]. The capacity allocation application enables capacity allocation procedures and secondary capacity trading among other services. Today – beyond FGSZ – sixteen further transmission system operators use it partially or entirely on their system capacities throughout the EU and the Energy Community: Eustream (Slovakia), Transgaz (Romania), Plinacro (Croatia), Bulgartransgaz (Bulgaria), DESFA (Greece), Gas Connect Austria (Austria), Gascade (Germany), Ontras (Germany), Gaz-System (Poland), Gas TSO of Ukraine (Ukraine), Gastrans (Serbia), Moldovatransgaz (Moldavia), NEL Gastransport (Germany), Opal (Germany), ICGB (Bulgaria) and Vestmoldtransgaz (Moldavia).

4. APPENDICES

APPENDIX I - IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT AND EBITDA

	HUF billion			USD million		
Special items - operating profit	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
OPERATING PROFIT EXCLUDING SPECIAL ITEMS	**637.8**	**98.1**	**550**	**2,096**	**323**	**549**
Upstream	**(27.7)**	**(25.8)**	**7**	**(85)**	**(84)**	**1**
Environmental provision (INA)	(4.3)	-	**n.a.**	(13)	-	n.a.
Impairment on Upstream assets in the Group	(23.4)	(25.8)	**n.a.**	(72)	(84)	n.a.
Downstream	**-**	**(13.7)**	**n.a.**	**-**	**(45)**	**n.a.**
Sisak impairment	-	(13.7)	n.a.	-	(45)	n.a.
Corporate and other	**2.7**	**6.4**	**(58)**	**8**	**20**	**(60)**
Provision release for legal claims (Creditor Gamma)	-	11.6	n.a.	-	38	n.a.
Crosco impairment	-	(5.3)	n.a.	-	(18)	n.a.
Provision release for legal claims (Creditor Beta)	2.7	-	n.a.	8	-	n.a.
TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	**(24.9)**	**(33.1)**	**(25)**	**(77)**	**(109)**	**(30)**
OPERATING PROFIT	**612.9**	**65.0**	**843**	**2,019**	**214**	**844**

Special items - EBITDA	**FY 2021**	**FY 2020 Restated**	**Ch %**	**FY 2021**	**FY 2020 Restated**	**Ch %**
EBITDA EXCLUDING SPECIAL ITEMS	**1,121.9**	**567.8**	**98**	**3,695**	**1,853**	**99**
Upstream	**(4.3)**	**-**	**n.a.**	**(13)**	**-**	**n.a.**
Environmental provision (INA)	(4.3)	-	n.a.	(13)	-	n.a.
Corporate and other	**2.7**	**11.6**	**(77)**	**8**	**38**	**(79)**
Provision release for legal claims (Creditor Gamma)	-	11.6	n.a.	-	38	n.a.
Provision release for legal claims (Creditor Beta)	2.7	-	n.a.	8	-	n.a.
TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	**(1.6)**	**11.6**	**n.a.**	**(5)**	**38**	**n.a.**
EBITDA	**1,120.3**	**579.4**	**94**	**3,690**	**1,891**	**98**

APPENDIX II – NOTES

Number of footnotes	
(1)	Special items that affected operating profit and EBITDA are detailed in Appendix I.
(2)	As of Q2 2013 our applied Clean CCS methodology eliminates from EBITDA/operating profit inventory holding gain / loss (i.e.: reflecting actual cost of supply of crude oil and other major raw materials); impairment on inventories; FX gains / losses on debtors and creditors; furthermore, adjusts EBITDA/operating profit by accurate CO_2 cost recognition and capturing the results of underlying commodity derivative transactions. Clean CCS figures of the base periods were modified as well according to the improved methodology.
(3)	Both the 2020 and 2021 figures have been calculated by converting the results of each month in the period on its actual monthly average HUF/USD rate.
(4)	Net gearing: net debt divided by net debt plus shareholders' equity including non-controlling interests.
(5)	Brent dated price vs. average Ural MED and Ural ROTT prices.
(6)	Net external sales revenues and operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Upstream transfers domestically produced crude oil, condensates and LPG to Downstream and natural gas to the Gas Midstream segment. The internal transfer prices used are based on prevailing market prices. The gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries and the proportionally consolidated joint operations engaged in the respective divisions.
(7)	This line shows the effect on operating profit of the change in the amount of unrealized profit deferred in respect of transfers between segments. Unrealized profits arise where the item transferred is held in inventory by the receiving segment and a third-party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third-party sale has taken place. Unrealized profits arise principally in respect of transfers from Upstream to Downstream and Gas Midstream.
(8)	From 2016 Austrian retail operations were reclassified into wholesale.
(9)	As of January 2018, an updated formula for calculating the „MOL Group petrochemicals margin" was introduced, replacing the previous „Integrated petrochemical margin". The purpose of the new formula is to better reflect the petchem product slate of the group.
(10)	Commission Regulation (EU) No 2017/459 on capacity allocation, Commission Regulation (EU) No 2017/460 on tariff, Regulation (EU EB) 2012/490 (contractual congestion management), Regulation (EU) No 1227/2011 (REMIT), Regulation (EU) No 703/2015 (interoperability), Directive 2000/31/EC (electronic commerce), Regulation (EU) No 910/2014 (eIDAS)
(11)	FOB Rotterdam parity
(12)	FOB Med parity
(13)	Retail segment sales are shown in chapter 3.5. ("Consumer Services").
(14)	Internal corporate governance and external reporting structure of Innovative Businesses and Services are different, thus the financial result of the Industrial Services and new Ventures unit of the Innovative Businesses and Services segment is reported within „Corporate and other" segment.

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

Statement of profit or loss

of the parent company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Net sales		2,183,827	1,457,393
Other operating income		5,987	36,436
Total operating income	3	**2,189,814**	**1,493,829**
Raw materials and consumables used		1,736,406	1,179,861
Employee benefits expense		73,207	64,146
Depreciation, depletion, amortisation and impairment		100,027	96,488
Other operating expenses		207,116	99,114
Change in inventory of finished goods & work in progress		(59,579)	22,534
Work performed by the enterprise and capitalised		(12,778)	(12,192)
Total operating expenses	4	**2,044,399**	**1,449,951**
Profit from operation		**145,415**	**43,878**
Finance income		371,117	112,179
Finance expense		111,422	214,274
Total finance income/(expense), net	5	**259,695**	**(102,095)**
Profit/(Loss) before tax		**405,110**	**(58,217)**
Income tax expense/(benefit)	6	(4,030)	11,423
PROFIT/(LOSS) FOR THE YEAR		**409,140**	**(69,640)**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

Statement of comprehensive income

of the parent company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Profit/(loss) for the year		**409,140**	**(69,640)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit/(loss) in subsequent periods:			
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	7	(132)	(495)
Other comprehensive income/(loss) to be reclassified to profit/(loss) in subsequent periods		**(132)**	**(495)**
Other comprehensive income not to be reclassified to profit/(loss) in subsequent periods:			
Remeasurement of post-employment benefit obligations	7	(892)	(742)
Other comprehensive income/(loss) not to be reclassified to profit/(loss) in subsequent periods		**(892)**	**(742)**
Other comprehensive income/(loss) for the year		**(1,024)**	**(1,237)**
Total comprehensive income/(loss) for the year		**408,116**	**(70,877)**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

Statement of financial position

of the parent company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	12/31/2021 HUF million	12/31/2020 Restated HUF million	1/1/2020 Restated HUF million
NON-CURRENT ASSETS				
Property, plant and equipment	8	415,327	390,266	397,606
Intangible assets	8	51,372	45,120	39,662
Investments	9	2,810,130	2,221,115	2,023,716
Other non-current financial assets	18	51,611	16,382	191,519
Deferred tax asset	6	80,803	56,497	58,638
Other non-current assets	10	2,437	1,578	1,405
Total non-current assets		**3,411,680**	**2,730,958**	**2,712,546**
CURRENT ASSETS				
Inventories	11	296,786	200,061	231,216
Trade and other receivables	20	384,542	187,713	225,350
Securities	18	26	10,685	24,275
Other current financial assets	18	16,681	15,568	104,600
Income tax receivable	6	-	1,842	-
Cash and cash equivalents	21	184,435	78,375	64,117
Other current assets	12	12,290	53,905	18,749
Assets classified as held for sale	16	1,121	-	-
Total current assets		**895,881**	**548,149**	**668,307**
Total assets		**4,307,561**	**3,279,107**	**3,380,853**
EQUITY				
Share capital		80,992	80,972	80,939
Retained earnings and other reserves		1,667,595	1,799,998	1,798,896
Profit/(Loss) for the year		409,140	(69,640)	-
Total equity		**2,157,727**	**1,811,330**	**1,879,835**
NON-CURRENT LIABILITIES				
Long-term debt	18	1,182,058	752,259	370,956
Other non-current financial liabilities	18	681	1,182	589
Non-current provisions	13	216,428	181,783	184,878
Other non-current liabilities	14	1,646	708	899
Total non-current liabilities		**1,400,813**	**935,932**	**557,322**
CURRENT LIABILITIES				
Short-term debt	18	67,348	60,592	84,130
Trade and other payables	18	355,919	192,595	259,664
Other current financial liabilities	18	218,769	211,483	529,976
Current provisions	13	16,002	11,001	5,829
Income tax payable	6	9,652	-	1,190
Other current liabilities	15	81,331	56,174	62,907
Total current liabilities		**749,021**	**531,845**	**943,696**
Total liabilities		**2,149,834**	**1,467,777**	**1,501,018**
Total equity and liabilities		**4,307,561**	**3,279,107**	**3,380,853**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

Statement of changes in equity

of the parent company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	Issued share capital HUF million	Treasury shares[1] HUF million	Share capital HUF million	Share premium HUF million	Fair valuation reserve HUF million	Retained earnings HUF million	Retained earnings and other reserves HUF million	Profit/(loss) for the year HUF million	Total equity HUF million
Opening balance 1 January 2020		**102,429**	**(21,490)**	**80,939**	**219,389**	**683**	**1,432,896**	**1,652,968**	**151,013**	**1,884,920**
Correction of error		**-**	**-**	**-**	**-**	**-**	**(4,141)**	**(4,141)**	**(944)**	**(5,085)**
Restated opening balance 1 January 2020		**102,429**	**(21,490)**	**80,939**	**219,389**	**683**	**1,428,755**	**1,648,827**	**150,069**	**1,879,835**
Profit/(loss) for the year (restated)		-	-	-	-	-	-	**-**	(69,640)	**(69,640)**
Other comprehensive income/(loss) for the year		-	-	**-**	-	(495)	(742)	**(1,237)**	-	**(1,237)**
Total comprehensive income/(loss) for the year		**-**	**-**	**-**	**-**	**(495)**	**(742)**	**(1,237)**	**(69,640)**	**(70,877)**
Transfer to reserves (restated)		-	-	-	-	-	150,069	**150,069**	(150,069)	**-**
Equity recorded for share-based payments		-	33	**33**	-	-	912	**912**	-	**945**
Other		-	-	**-**	-	-	1,427	**1,427**	-	**1,427**
Closing balance 31 December 2020		**102,429**	**(21,457)**	**80,972**	**219,389**	**188**	**1,580,421**	**1,799,998**	**(69,640)**	**1,811,330**
Restated opening balance 1 January 2021		**102,429**	**(21,457)**	**80,972**	**219,389**	**188**	**1,580,421**	**1,799,998**	**(69,640)**	**1,811,330**
Profit/(loss) for the year		-	-	**-**	-	-	-	**-**	409,140	**409,140**
Other comprehensive income/(loss) for the year		-	-	**-**	-	(132)	(892)	**(1,024)**	-	**(1,024)**
Total comprehensive income/(loss) for the year		**-**	**-**	**-**	**-**	**(132)**	**(892)**	**(1,024)**	**409,140**	**408,116**
Transfer to reserves (restated)		-	-	**-**	-	-	(69,640)	**(69,640)**	69,640	**-**
Dividends	17	-	-	**-**	-	-	(63,226)	**(63,226)**	-	**(63,226)**
Equity recorded for share-based payments		-	20	**20**	-	-	1,487	**1,487**	-	**1,507**
Closing balance 31 December 2021		**102,429**	**(21,437)**	**80,992**	**219,389**	**56**	**1,448,150**	**1,667,595**	**409,140**	**2,157,727**

[1] Including shares under repurchase obligation

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

Statement of cash flows

of the parent company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Profit/(Loss) before tax		**405,110**	**(58,217)**
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation, depletion, amortisation and impairment	4	100,027	96,488
Increase / (decrease) in provisions	13	5,025	(6,154)
Net (gain) / loss on asset disposal and divestments		2,778	11,694
Net interest expense / (income)	5	30,981	15,775
Other finance expense / (income)	5	(290,727)	85,735
Other items	23	65,677	(68,975)
Income taxes paid	6	(9,227)	(12,387)
Cash flows from operations before changes in working capital		**309,644**	**63,959**
Change in working capital		*(163,064)*	*(14,515)*
(Increase) / decrease in inventories	11	(99,540)	30,874
(Increase) / decrease in trade and other receivables	20	(105,522)	51,593
Increase / (decrease) in trade and other payables	18	97,047	(81,034)
(Increase)/decrease in other assets and liabilities	12,15	(55,049)	(15,948)
Cash flows from operations		**146,580**	**49,444**
Capital expenditures	2	(98,854)	(98,073)
Proceeds from disposal of fixed assets		578	662
Acquisition of businesses (net of cash)		-	(285,898)
Increase / (Decrease) in other finance assets		29,994	(3,446)
Interest received and other financial income	5	2,136	5,847
Dividends received	5	200,799	51,470
Cash flows from investing activities		**134,653**	**(329,438)**
Proceeds from issue of bonds, notes and debentures		35,422	264,444
Proceeds from borrowings		302,480	330,161
Repayments of borrowings		(425,558)	(300,041)
Interest paid and other finance expense	5	(27,022)	(18,547)
Dividends paid to owners of parent	17	(63,213)	(1)
Other changes in equity		-	1,427
Cash flows from financing activities		**(177,891)**	**277,443**
Currency translation differences relating to cash and cash equivalents		2,975	17,265
Increase/(decrease) in cash and cash equivalents		**106,317**	**14,714**
Cash and cash equivalents at the beginning of the year		78,375	64,117
Cash and cash equivalents at the end of the year		184,435	78,375
Change in Cash and cash equivalents		106,060	14,258
Change in Overdraft		257	456
Increase / (decrease) in cash and cash equivalents		**106,317**	**14,714**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY AND SUBSIDIARIES

Consolidated statement of profit or loss

of the consolidated company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Net sales		5,959,307	4,011,022
Other operating income		32,771	55,687
Total operating income	3	**5,992,078**	**4,066,709**
Raw materials and consumables used		4,431,441	2,954,666
Employee benefits expense		300,006	275,522
Depreciation, depletion, amortisation and impairment		507,437	514,395
Other operating expenses		399,390	248,250
Change in inventory of finished goods and work in progress		(170,694)	80,800
Work performed by the enterprise and capitalised		(88,387)	(71,918)
Total operating expenses	4	**5,379,193**	**4,001,715**
Profit from operation		**612,885**	**64,994**
Finance income		106,998	168,825
Finance expense		149,268	280,161
Total finance expense, net	5	**(42,270)**	**(111,336)**
Share of after-tax results of associates and joint ventures	6	21,515	2,506
Profit/(Loss) before tax		**592,130**	**(43,836)**
Income tax expense	7	42,539	10,261
Profit/(Loss) for the year		**549,591**	**(54,097)**
Attributable to:			
Owners of parent		**526,135**	(18,323)
Non-controlling interest		**23,456**	(35,774)
Basic earnings per share (HUF)	27	731	(26)
Diluted earnings per share (HUF)	27	726	(26)

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY AND SUBSIDIARIES

Consolidated statement of comprehensive income

of the consolidated company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Profit/(Loss) for the year		**549,591**	**(54,097)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations, net of tax	8	69,251	141,942
Net investment hedge, net of tax	8	(2,963)	(23,484)
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax	8	(166)	(483)
Changes in fair value of cash flow hedges, net of tax	8	994	(407)
Share of other comprehensive income of associates and joint ventures	8	9,950	(321)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**77,066**	**117,247**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	8	18,563	2,310
Remeasurement of post-employment benefit obligations	8	(716)	(1,381)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**17,847**	**929**
Other comprehensive income for the year, net of tax		**94,913**	**118,176**
Total comprehensive income for the year		**644,504**	**64,079**
Attributable to:			
Owners of parent		613,446	78,019
Non-controlling interest		31,058	(13,940)

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY AND SUBSIDIARIES

Consolidated statement of financial position

of the consolidated company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	31 Dec 2021 HUF million	31 Dec 2020 Restated HUF million
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,380,744	3,232,577
Investment property	9	1,862	-
Intangible assets	9	437,839	397,871
Investments in associates and joint ventures	6	225,414	214,836
Other non-current financial assets	21	207,905	152,416
Deferred tax asset	7	175,797	149,052
Other non-current assets	13	76,845	86,649
Total non-current assets		**4,506,406**	**4,233,401**
CURRENT ASSETS			
Inventories	14	702,798	461,391
Trade and other receivables	23	754,019	523,278
Securities	21	845	14,511
Other current financial assets	21	61,079	24,136
Income tax receivable		7,551	13,244
Cash and cash equivalents	24	367,447	193,877
Other current assets	15	77,735	64,700
Assets classified as held for sale	19	16,379	1,463
Total current assets		**1,987,853**	**1,296,600**
Total assets		**6,494,259**	**5,530,001**
EQUITY	20		
Share capital		78,163	78,249
Retained earnings and other reserves		2,152,961	2,153,148
(Loss) / Profit for the year attr. to owners of parent		526,135	(18,323)
Equity attributable to owners of parent		**2,757,259**	**2,213,074**
Non-controlling interest		**301,285**	**271,014**
Total equity		**3,058,544**	**2,484,088**
NON-CURRENT LIABILITIES			
Long-term debt	21	866,492	820,998
Other non-current financial liabilities	21	36,913	49,367
Non-current provisions	16	707,368	637,406
Deferred tax liabilities	7	123,145	130,569
Other non-current liabilities	17	32,460	31,934
Total non-current liabilities		**1,766,378**	**1,670,274**
CURRENT LIABILITIES			
Short-term debt	21	185,616	321,790
Trade and other payables	21	848,241	549,642
Other current financial liabilities	21	252,810	229,378
Current provisions	16	70,084	49,690
Income tax payable		40,378	10,330
Liabilities classified as held for sale	19	3,420	-
Other current liabilities	18	268,788	214,809
Total current liabilities		**1,669,337**	**1,375,639**
Total liabilities		**3,435,715**	**3,045,913**
Total equity and liabilities		**6,494,259**	**5,530,001**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY AND SUBSIDIARIES

Consolidated statement of changes in equity

of the consolidated company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	Share capital HUF million	Share premium HUF million	Fair valuation reserve HUF million	Reserve of exchange differences on translation HUF million	Retained earnings with profit for the year attr. to owners of parent HUF million	Total reserves HUF million	Equity attr. to owners of parent HUF million	Non-controlling interests HUF million	Total equity HUF million
		20								
Opening balance 1 Jan 2020		**79,408**	**219,389**	**6,354**	**289,723**	**1,556,511**	**2,071,977**	**2,151,385**	**299,984**	**2,451,369**
Profit / (loss) for the year Restated						(18,323)	**(18,323)**	**(18,323)**	(35,774)	**(54,097)**
Other comprehensive income / (loss) for the year Restated				1,851	86,952	7,539	**96,342**	**96,342**	21,834	**118,176**
Total comprehensive income / (loss) for the year Restated		-	-	1,851	86,952	(10,784)	**78,019**	**78,019**	(13,940)	**64,079**
Dividends	20	-	-	-	-	-	**-**	**-**	-	**-**
Dividends to non-controlling interests	20	-	-	-	-	-	-	-	(15,003)	**(15,003)**
Equity recorded for share-based payments	4	33	-	-	-	1,553	**1,553**	**1,586**	-	**1,586**
Treasury share transactions	20	(1,192)	-	-	-	(18,115)	**(18,115)**	**(19,307)**	-	**(19,307)**
Acquisition / divestment of subsidiaries		-	-	-	-	-	**-**	**-**	-	**-**
Acquisition of non-controlling interests		-	-	-	-	(37)	**(37)**	**(37)**	(27)	**(64)**
Other		-	-	-	-	1,428	**1,428**	**1,428**	-	**1,428**
Closing balance 31 Dec 2020 Restated		**78,249**	**219,389**	**8,205**	**376,675**	**1,530,556**	**2,134,825**	**2,213,074**	**271,014**	**2,484,088**
Opening balance 1 January, 2021 Restated		**78,249**	**219,389**	**8,205**	**376,675**	**1,530,556**	**2,134,825**	**2,213,074**	**271,014**	**2,484,088**
Profit / (loss) for the year		-	-	-	-	526,135	**526,135**	**526,135**	23,456	**549,591**
Other comprehensive income / (loss) for the year		-	-	17,370	69,614	327	**87,311**	**87,311**	7,602	**94,913**
Total comprehensive income / (loss) for the year		-	-	17,370	69,614	526,462	**613,446**	**613,446**	31,058	**644,504**
Dividends	20	-	-	-	-	(63,226)	**(63,226)**	**(63,226)**	-	**(63,226)**
Dividends to non-controlling interests	20	-	-	-	-	-	**-**	-	(293)	**(293)**
Equity recorded for share-based payments	4	20	-	-	-	1,507	**1,507**	**1,527**	-	**1,527**
Treasury share transactions	20	(106)	-	-	-	(1,579)	**(1,579)**	**(1,685)**	-	**(1,685)**
Acquisition / divestment of subsidiaries		-	-	-	-	-	**-**	**-**	(110)	**(110)**
Acquisition of non-controlling interests		-	-	-	-	199	**199**	**199**	(384)	**-185**
Other		-	-	-	-	(6,076)	**(6,076)**	**(6,076)**	-	**(6,076)**
Closing balance 31 Dec 2021		**78,163**	**219,389**	**25,575**	**446,289**	**1,987,843**	**2,679,096**	**2,757,259**	**301,285**	**3,058,544**

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY AND SUBSIDIARIES

Consolidated statement of cash flows

of the consolidated company financial statements prepared in accordance with International Financial Reporting Standards

	Notes	2021 HUF million	2020 Restated HUF million
Profit/(Loss) before tax		**592,130**	**(43,836)**
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation, depletion, amortisation and impairment	4	507,437	514,395
Increase/(decrease) in provisions	16	25,309	(2,371)
Net (gain)/loss on asset disposal and divestments		(4,262)	(2,828)
Net interest expense/(income)	5	29,835	22,559
Other finance expense/(income)	5	12,435	87,749
Share of after-tax results of associates and joint ventures	6	(21,515)	(2,506)
Other items	26	96,110	(13,224)
Income taxes paid	7	(41,221)	(17,150)
Cash flows from operations before changes in working capital		**1,196,258**	**542,788**
Change in working capital		*(278,192)*	*29,481*
(Increase)/decrease in inventories	14	(244,335)	83,273
(Increase)/decrease in trade and other receivables	23	(275,229)	4,291
Increase/(decrease) in trade and other payables	21	266,673	(107,146)
(Increase)/decrease in other assets and liabilities	15, 18	(25,301)	49,063
Cash flows from operations		**918,066**	**572,269**
Capital expenditures	2	(499,838)	(442,145)
Proceeds from disposal of fixed assets		5,882	4,948
Acquisition of businesses (net of cash)	10	(2,411)	(473,591)
Proceeds from disposal of businesses (net of cash)	11	1,089	172
(Increase)/Decrease in other financial assets	21	(27,862)	97,271
Interest received and other finance income	5	4,595	9,191
Dividends received	5	36,976	12,515
Cash flows used in investing activities		**(481,569)**	**(791,639)**
Proceeds from issue of bonds, notes and debentures		132,271	269,105
Repayments of bonds, notes and debentures		-	-
Proceeds from borrowings		814,220	1,431,850
Repayments of borrowings		(1,118,156)	(1,640,915)
Interest paid and other finance expense	5	(21,715)	(18,420)
Dividends paid to owners of parent	20	(63,213)	(1)
Dividends paid to non-controlling interest	20	(13,545)	(2,079)
Transactions with non-controlling interest		(361)	(125)
Net issue / repurchase of treasury shares		(2,026)	(18,406)
Other changes in equity		-	1,428
Cash flows used in financing activities		**(272,525)**	**22,437**
Currency translation differences relating to cash and cash equivalents		10,426	68,983
Increase/(decrease) in cash and cash equivalents		**174,398**	**(127,950)**
Cash and cash equivalents at the beginning of the year		193,877	326,108
Cash and cash equivalents at the end of the year		367,447	193,877
Change in Cash and cash equivalents		**173,570**	**(132,231)**
Change in Overdraft		828	4,281
Increase/(decrease) in cash and cash equivalents		**174,398**	**(127,950)**

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Building a better working world

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of MOL Hungarian Oil and Gas Plc.

Report on the audit of the financial statements

Opinion

We have audited the 2021 financial statements of MOL Hungarian Oil and Gas Plc. ("the Company") included in the accompanying Mol Plc Annual Report 2021_P13_HU_FINAL_pr.xhtml[1] digital file, which comprise the statement of financial position as at 31 December 2021 - showing total assets of HUF 4,307,561 million and a profit for the year of HUF 409,140 million -, the related statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics

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[1] Digital identification of the above referred Mol Plc Annual Report 2021_P13_HU_FINAL_pr.xhtml, using SHA 256 HASH algorithm is A122F30E34C23B2D70A9939C48810F9BB17FFF82A775ECDFBB983D3FC342F663

Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements section" of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<u>Oil and natural gas reserve estimation process</u>	
The estimation of crude oil and natural gas reserves is a significant area of judgement due to the technical uncertainty in assessing quantities and complex contractual arrangements dictating the Company's share of reportable volumes. We considered the crude oil and natural gas reserves estimation process to be a key audit matter as crude oil and natural gas reserves are also a fundamental indicator of the future potential of the Company's performance and these estimates affect significant balances as reported in the statement of financial position and statement of profit or loss through the determination of depletion and impairment of oil and gas	Our audit procedures included understanding of the process for determination of the crude oil and natural gas reserves and testing of the design of internal controls implemented in the process. We assessed the competence and objectivity of technical experts of the Company to evaluate whether they are qualified to carry out the crude oil and natural gas reserve volumes estimation. We assessed the assumptions used by the technical experts and compared the assumptions to the macroeconomic indicators, hydrocarbon production, operating costs, capital expenditures forecasts and other performance

production assets and the timing of field abandonment liability.

indicators, approved by the Company's Reserve and Resources Committee.

We performed an inquiry of the management of the Company and our procedures were planned and executed to assess that the applied methodology for oil and natural gas reserves estimate is consistent with the previous year.

We selected the items with significant changes compared to the prior year and tested if these were made in the appropriate period and in compliance with the Company's internal policies. We validated these volumes against the underlying information, such as technical evaluations and Reserve and Resources Committee decisions. We also performed analytical procedures on movements in the crude oil and natural gas reserves during the year and analyzed whether all significant changes were approved by the Reserves and Resources Committee.

We assessed the adequacy of the Company's disclosures in respect of crude oil and natural gas reserves.

The Company's disclosures about crude oil and natural gas reserves estimation policies are included in Note 8.c) Depreciation, depletion and amortisation, to the financial statements.

Wholesale revenue recognition

The Company's net revenue derives from various activities. We identified wholesale revenue as a significant revenue stream. Revenue is recognized when all the five step criteria of IFRS 15, *Revenue from Contracts with Customers*, are met.

Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies including those relating to discounts, incentives and rebates in accordance and compliance with IFRS 15. We tested the design and operational effectiveness of the

Revenue is measured taking into account discounts, incentives and rebates earned by customers on the Company's sales. Due to the multitude and variety of contractual terms across the Company's markets, typically related to the wholesale activity, we consider the range of discounts, incentives and rebates recognized based on sales made during the year to be a complex area and therefore we consider revenue recognition related to wholesale activity as a key audit matter.

Company's controls over calculation of discounts, incentives and rebates and correct timing related to revenue recognition. We tested a sample of the sales transactions close to the balance sheet date as well as credit notes issued after the balance sheet date to assess whether revenue was recognized in the correct period. We also performed analytical reviews over revenue accounts, including the analysis of the relationship between revenue, receivables and cash with the use of data analytics tool and we assessed the adequacy of the Company's disclosures in respect of revenue.

The Company's disclosures about revenue and revenue recognition policies are included in Note 3. Total operating income, to the financial statements.

Asset impairment

Forecasted crude oil and natural gas prices, emission costs, refining, petrochemical, retail margins and discount rates can have a significant effect on the carrying value of the Company's assets, including upstream offshore and onshore, refining, retail and service related long lived assets. A significant change in commodity prices, emission costs, refining, petrochemical and retail margins directly affect the Company's operating cash flows. Inherent risk of forming a view on future commodity prices has been further elevated by the COVID-19 pandemic, which had a significant impact on the commodity markets, and the increased focus on energy transition to lower-carbon economy. We assessed the principal risk arising in relation to the financial statements to be associated with the carrying value of the above

Our audit procedures included examination the methodology used by the Company to assess the carrying value of respective assets, to determine its compliance with EU IFRSs and consistency of application. We gained understanding of the process and tested the design of the internal controls over the Company's assessment of the carrying value of respective assets. For the assets where impairment indicators were not identified by the Company, we assessed the assumptions used by the Company in determination of whether impairment indicators exist. The assessment took into consideration current industry and the Company expectations for the key inputs to impairment models.

In respect of performed impairment tests, we used external data in listed assets, many of which are supported by an assessment of future cash flows.

As asset impairment is a complex and judgmental area with significant potential impact on the valuation of assets, we consider asset impairments a key audit matter.

assessing and corroborating the assumptions used in impairment testing, the most significant being forecasted crude oil and natural gas prices, emission costs refinery, petrochemical and retail margins, reserves and resources volumes and discount rates. We compared future commodity prices to analysts' forecast and those adopted by the industry. We involved experts in the evaluation of discount rates. We tested the arithmetical integrity of the impairment models and sensitivity analysis and assessed the completeness of the impairment charges.

We assessed the adequacy of the Company's disclosures in respect of valuation of long lived assets.

The disclosures about property, plant and equipment and intangible assets are included in Note 8.d) Impairment of assets, and disclosures about the valuation of investments in subsidiaries, associated companies and joint ventures are included in Note 9. Investments in subsidiaries, associated companies and joint ventures to the financial statements, and disclosures.

<u>Trading operations</u>

Potential unauthorized trading activity (which covers physical and paper trading of products and product related derivatives) gives rise to an inherent risk of misrepresenting derivatives' fair value and profit or loss impact. Completeness and valuation of derivatives and other trading instruments carry risk due to inherent complexity of such instruments. This risk of unathorized trading activity together with the potential significant

Our audit procedures included testing of the design of internal controls implemented in the process and testing of the design and operating effectiveness of the controls implemented by the Company to prevent unauthorized trading activity. We selected a sample of third parties to whom we sent letters to confirm the year-end balances of open transactions.

effect on the revenue or profit of the Company led us to identify trading operation as a key audit matter.	We tested fair value of derivatives using contract and external market prices. We performed test of the completeness of the trading transactions and amounts recorded in the financial statements through performing procedures to detect unrecorded liabilities as well as procedures related to the recognition of sales, purchases, trade receivables and trade payables. We assessed the appropriateness of disclosures made in relation of the result and details of trading transactions as detailed in Note 17. Financial risk and capital management and Note 18. Financial instruments to the financial statements.

Other matter

Management is responsible for the presentation of the financial statements in the format that complies with the Article 3 of Commission (EU) Regulation 2019/815 of 17 December 2018 ("ESEF Regulation"). The scope of our audit was the human-readable content of the electronically identified digital file, which contains the financial statements. The scope of our audit did not include to review and consequently we do not report on, whether the digitalized information complies in all material respect with the requirements of ESEF Regulation.

Other information

Other information consists of the 2021 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the financial statements does not cover the business report.

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether 1) the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

In our opinion, the business report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2021 is consistent, in all material respects, with the 2021 financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements as to the content with regard to its business report, we do not express opinion in this regard.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

REPORTING REQUIREMENTS ON CONTENT OF AUDITOR'S REPORT IN COMPLIANCE WITH REGULATION (EU) NO. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the Board of Directors on behalf of the General Assembly of Shareholders of the Company on 15 April 2021. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 20 years.

The engagement partner on the audit resulting in this independent auditor's report is János Varga.
Consistency with Additional Report to Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on 22 March 2022.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the business report and in the financial statements, no other services were provided by us to the Company and its controlled undertakings.

REPORT ON UNBUNDLING

In accordance with Act LXXXVI of 2007 on Electric Energy and Government Decree 273/2007 (Oct. 19) on the execution of provisions of that Act (together the "Regulations"), Management is responsible for development and application of the accounting policies pertaining to unbundling, for pricing the various activities to ensure that various activities are free from cross financing; and for the preparation and presentation in the supplementary notes of the Licensed electricity statements in accordance with the EU IFRSs and with the requirements of Hungarian Accounting Law relevant for financial statements prepared in accordance with EU IFRSs and the accounting unbundling policies elaborated according to the Regulations.

In order to comply with sections 105/A (2)-(3) of Act LXXXVI of 2007 on Electric Energy ("the Act") we fulfil our reporting obligation set in the Act as follows.

It is our opinion that the accompanying Licensed electricity statement of the Company, as an integrated electricity company, disclosed in Note 26. Appendices, Appendix IV. g) of the supplementary notes to the Company's 2021 financial statements, have been prepared, in all material respects, in accordance with the EU IFRSs and with the requirements of Hungarian Accounting Law relevant for financial statements prepared in accordance with EU IFRSs and the accounting unbundling policies elaborated according to the Regulations - disclosed in Note 26. Appendices, Appendix IV. g) of the supplementary notes (hereafter "Unbundling Policies").

Further to the above, based on our work we are required to report whether we have become aware of any information that causes us to believe that the accounting unbundling policies elaborated and applied by the Company do not comply, in all material respects, with the Regulations and whether the applied Unbundling Policies and the pricing of the various activities do not ensure that the various activities, in all material respects, are free from cross financing. We have nothing to report in this regard.

Budapest, 22 March 2022

Varga János
Engagement Partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No.: 001165

Varga János
Registered auditor
Chamber membership No.: 007319

We issued this report dully signed in electronic format.

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of MOL Hungarian Oil and Gas Plc.

Report on the audit of the consolidated financial statements

Opinion

We have audited the 2021 consolidated financial statements of MOL Hungarian Oil and Gas Plc. ("the Company") and its subsidiaries (altogether "the Group") included in the accompanying Mol Group 2021 Financial Report HUN ifrs_pr.xhtml[1] digital file, which comprise the consolidated statement of financial position as at 31 December 2021 - showing total assets of HUF 6,494,259 million and a profit for the year of HUF 549,591 million -, the related consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the

[1] Digital identification of the above referred Mol Group 2021 Financial Report HUN ifrs_pr.xhtml, using SHA 256 HASH algorithm is BCA04924AA318B8BF0053B3723EE0EB141A9621465B1F8CBF4163D93CA16996F

Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements section" of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Oil and natural gas reserve estimation process	
The estimation of crude oil and natural gas reserves is a significant area of judgement due to the technical uncertainty in assessing quantities and complex contractual arrangements dictating the Group's share of reportable volumes. We considered the crude oil and natural gas reserves estimation process to be a key audit matter as crude oil and natural gas reserves are also a fundamental indicator of the future potential of the Group's performance and these estimates affect significant balances as reported in the consolidated statement of financial position and consolidated statement of profit or loss through the determination of depletion and	Our audit procedures included understanding of the process for determination of the crude oil and natural gas reserves and testing of the design of internal controls implemented in the process. We assessed the competence and objectivity of technical experts of the Group to evaluate whether they are qualified to carry out the crude oil and natural gas reserve volumes estimation. We assessed the assumptions used by the technical experts and compared the assumptions to the macroeconomic indicators, hydrocarbon production, operating costs, capital expenditures forecasts and other performance

impairment of oil and gas production assets and the timing of field abandonment liability.	indicators, approved by the Group's Reserve and Resources Committee. We performed an inquiry of the management of the Group and our procedures were planned and executed to assess that the applied methodology for oil and natural gas reserves estimate is consistent with the previous year. We selected the items with significant changes compared to the prior year and tested if these were made in the appropriate period and in compliance with the Group's internal policies. We validated these volumes against the underlying information, such as technical evaluations and Reserve and Resources Committee decisions. We also performed analytical procedures on movements in the crude oil and natural gas reserves during the year and analyzed whether all significant changes were approved by the Reserves and Resources Committee. We assessed the adequacy of the Group's disclosures in respect of crude oil and natural gas reserves. The Group's disclosures about crude oil and natural gas reserves estimation policies are included in Note 9.d) Depreciation, depletion and amortisation, to the consolidated financial statements.
<u>Wholesale revenue recognition</u>	
The Group net revenue derives from various activities. We identified wholesale revenue as a significant revenue stream. Revenue is recognized when all the five step criteria of IFRS 15, *Revenue from Contracts with Customers*, are met.	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies including those relating to discounts, incentives and rebates in accordance and compliance with IFRS 15. We tested the design and operational effectiveness of the Group's

Building a better working world

Revenue is measured taking into account discounts, incentives and rebates earned by customers on the Group's sales. Due to the multitude and variety of contractual terms across the Group's markets, typically related to the wholesale activity, we consider the range of discounts, incentives and rebates recognized based on sales made during the year to be a complex area and therefore we consider revenue recognition related to wholesale activity as a key audit matter.

controls over calculation of discounts, incentives and rebates and correct timing related to revenue recognition. We tested a sample of the sales transactions close to the balance sheet date as well as credit notes issued after the balance sheet date to assess whether revenue was recognized in the correct period. We also performed analytical reviews over revenue accounts, including the analysis of the relationship between revenue, receivables and cash with the use of data analytics tool and we assessed the adequacy of the Group's disclosures in respect of revenue.

The Group's disclosures about revenue and revenue recognition policies are included in Note 3. Total operating income, to the consolidated financial statements.

Asset impairment

Forecasted crude oil and natural gas prices, emission costs, refining, petrochemical, retail margins and discount rates can have a significant effect on the carrying value of the Group's assets, including upstream offshore and onshore, refining, retail and service related long lived assets as well as goodwill. A significant change in commodity prices, emission costs, refining, petrochemical and retail margins directly affect the Group's operating cash flows. Inherent risk of forming a view on future commodity prices has been further elevated by the COVID-19 pandemic, which had a significant impact on the commodity markets, and the increased focus on energy transition to lower-carbon economy. We assessed the principal risk arising in relation to the consolidated financial statements to be associated

Our audit procedures included examination of the methodology used by the Group to assess the carrying value of respective assets, to determine its compliance with EU IFRSs and consistency of application. We gained understanding of the process and tested the design of the internal controls over the Group's assessment of the carrying value of respective assets. For the assets where impairment indicators were not identified by the Group, we assessed the assumptions used by the Group in determination of whether impairment indicators exist. The assessment took into consideration current industry and the Group expectations for the key inputs to impairment models.

In respect of performed impairment tests, we used external data in

with the carrying value of the above listed assets, many of which are supported by an assessment of future cash flows. As asset impairment is a complex and judgmental area with significant potential impact on the valuation of assets, we consider asset impairments a key audit matter.	assessing and corroborating the assumptions used in impairment testing, the most significant being forecasted crude oil and natural gas prices, emission costs, refinery, petrochemical and retail margins, reserves and resources volumes and discount rates. We compared future commodity prices to analysts' forecast and those adopted by the industry. We involved experts in the evaluation of discount rates. We tested the arithmetical integrity of the impairment models and sensitivity analysis and assessed the completeness of the impairment charges. We assessed the adequacy of the Group's disclosures in respect of valuation of intangible assets and tangible fixed assets. The disclosures about intangible assets and tangible fixed assets are included in Note 9.e) Impairment of assets and Note 9.f) Impairment of goodwill, to the consolidated financial statements.
<u>Trading operations</u>	
Potential unauthorized trading activity (which covers physical and paper trading of products and product related derivatives) gives rise to an inherent risk of misrepresenting derivatives' fair value and profit or loss impact. Completeness and valuation of derivatives and other trading instruments carry risk due to inherent complexity of such instruments. This risk of unathorized trading activity together with the potential significant effect on the revenue or profit of the Group led us to identify the trading operation as a key audit matter.	Our audit procedures included testing of the design of internal controls implemented in the process and testing of the design and operating effectiveness of the controls implemented by the Group to prevent unauthorized trading activity. We selected a sample of third parties to whom we sent letters to confirm the year-end balances of open transactions. We tested fair value of derivatives using contract and external market prices. We performed test of the completeness of the trading transactions and amounts recorded in the consolidated financial statements through performing

	procedures to detect unrecorded liabilities as well as procedures related to the recognition of sales, purchases, trade receivables and trade payables. We assessed the appropriateness of disclosures made in relation of the result and details of trading transactions as detailed in Note 20. Financial risk and capital management, and Note 21. Financial instruments, to the consolidated financial statements.
<u>Acquisition of non-operated interest in Azeri-Chirag-Gunashli (ACG) oil field</u>	
In 2020, the Group closed the acquisition of 9.57% non-operated interest in ACG oil field in Azerbaijan for USD 1.5 billion. The recognition of the acquisition under EU IFRSs required significant judgement in applying assumptions for the identification and fair valuation of assets acquired and liabilities assumed. We identified the principal risk in the purchase price allocation arising in relation to the fair values of the identifiable assets and decommissioning provision assumed together with deferred tax. The Group engaged a third party expert to provide valuation support in the preparation of the purchase price allocation. The purchase price allocation was completed in 2021 with retrospective adjustments to the provisional fair values recorded in the previous year. Due to the size of the acquisition, complex accounting and the extent of judgement involved we identified this acquisition as a key matter for the audit.	We assessed the competence, objectivity and independence of management's expert, to evaluate whether they are qualified to carry out the valuation. We engaged our valuation specialist to assist us in the audit of the final purchase price allocation. We assessed the key assumptions used in the fair valuation, the most significant being forecasted oil prices, forecasted production costs and capital expenditure, reserves and resources volumes, forecasted decommissioning costs and discount rates using external data. We assessed the appropriateness and correctness of the retrospective adjustment resulting from the finalization of the purchase price allocation. We assessed the appropriateness of disclosures made in relation of the acquisition and completion of the purchase price allocation as detailed in Restatement section of Note 1. Accounting information, policies and

significant estimates and Note 10.a) Update on the Acquisition of MOL Azerbaijan (formerly: Chevron Khazar, Ltd.) to the consolidated financial statements.

Other matter

Management is responsible for the presentation of the consolidated financial statements in the format that complies with the Articles 3 and 4 of Commission (EU) Regulation 2019/815 of 17 December 2018 ("ESEF Regulation"). The scope of our audit was the human-readable content of the electronically identified digital file, which contains the consolidated financial statements. The scope of our audit did not include to review and consequently we do not report on, whether the digitalized information complies in all material respect with the requirements of ESEF Regulation.

Other information

Other information consists of the 2021 consolidated business report of the Group and Introduction Chapter, the Management Discussion and Analysis of 2021 Business Operations Chapter, the Corporate Governance Chapter, the Sustainability Information Chapter of the Integrated Annual Report and the Report on Payments to Governments of MOL Hungarian Oil and Gas Plc. Management is responsible for the other information, including preparation of the consolidated business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 1) the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the consolidated business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the consolidated business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the consolidated business report includes the non-financial statement as required by Subsection (5) of Section 134 of the Hungarian Accounting Law.

In our opinion, the consolidated business report of the Group, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2021 is consistent, in all material respects, with the 2021 consolidated financial statements of the Group and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Group further requirements as to the content with regard to its consolidated business report, we do not express opinion in this regard.

We also confirm that the Group have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the consolidated business report includes the non-financial statement as required by Subsection (5) of Section 134 of the Hungarian Accounting Law.

Further to the above, based on the knowledge we have obtained about the Group and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the other information, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for consolidated financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing and Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

REPORTING REQUIREMENTS ON CONTENT OF AUDITOR'S REPORT IN COMPLIANCE WITH REGULATION (EU) NO. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of MOL Hungarian Oil and Gas Plc. by the Board of Directors on behalf of the General Assembly of Shareholders of the Company on 15 April 2021. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 20 years.

Consistency with Additional Report to Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on 22 March 2022.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Group in conducting the audit.

In addition to statutory audit services and services disclosed in the consolidated business report and in the consolidated financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is János Varga.

REPORT ON UNBUNDLING

In accordance with Act LXXXVI of 2007 on Electric Energy and Government Decree 273/2007 (Oct. 19) on the execution of provisions of that Act and Act XL of 2008 on Natural Gas Supply and Government Decree 19/2009 (Jan. 30) on the execution of provisions of that Act (together the "Regulations"), Management is responsible for development and application of the accounting policies pertaining to unbundling, for pricing the various activities to ensure that various activities are free from cross financing; and for the preparation and presentation in the supplementary notes of the Presentation of licensed activities in accordance with the EU IFRSs and with the requirements of Hungarian Accounting Law relevant for consolidated financial statements prepared in accordance with EU IFRSs and the accounting unbundling policies elaborated according to the Regulations.

In order to comply with sections 105/A (2)-(3) of Act LXXXVI of 2007 on Electric Energy and sections 120/(7)-(8) of Act XL of 2008 on Natural Gas Supply ("the Acts") we fulfil our reporting obligation set in the Acts as follows.

It is our opinion that the accompanying Presentation of licensed activities of the Group, as an integrated electricity and natural gas group, disclosed in Note 30. Appendices e) Appendix V. of the supplementary notes to the Group's 2021 financial statements, have been prepared, in all material respects, in accordance with the EU IFRSs and with the requirements of Hungarian Accounting Law relevant for consolidated financial statements prepared in accordance with EU IFRSs and the accounting unbundling policies elaborated according to the Regulations - disclosed in Note 30. Appendices e) Appendix V. of the supplementary notes (hereafter "Unbundling Policies").

Further to the above, based on our work we are required to report whether we have become aware of any information that causes us to believe that the accounting unbundling policies elaborated and applied by the Group do not comply, in all material respects, with the Regulations and whether the applied Unbundling Policies and the pricing of the various activities do not ensure that the various activities, in all material respects, are free from cross financing. We have nothing to report in this regard.

Budapest, 22 March 2022

Varga János
Engagement Partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No.: 001165

Varga János
Registered auditor
Chamber membership No.: 007319

We issued this report dully signed in electronic format.

AGENDA ITEM No. 1

Report of the Supervisory Board on the 2021 financial statements

The Supervisory Board and the Audit Committee elected from its independent members performed their duties in 2021 in full accordance with their statutory obligations. Both committees held 5 meetings in 2021, the overlapping agenda items were discussed on the joint meetings of the Supervisory Board and the Audit Committee.

The Audit Committee assisted the Supervisory Board in auditing the financial reporting system, reviewing the financial statements of 2021 and supported the report of the Supervisory Board.

In addition, the Audit Committee participated in the auditor selection tender procedure conducted by the management last year as well as its evaluation and based on this, it also made a proposal to the Supervisory Board regarding the appointment of the auditor. After reviewing all relevant factors, taking into account the proposal of the management and the Audit Committee, the Supervisory Board proposed to the Extraordinary General Meeting held on 22 December 2021 to elect a new auditor of the Company, which was supported by the General Meeting.

The Supervisory Board was extended with new members in 2021, increasing the competencies of the Board as a whole for the benefit of MOL Group.

The Board of Directors regularly reported to the Supervisory Board on the management, the financial situation and the business policy of the Company.

Regular topics of the Supervisory Board meetings included the reports of Group Internal Audit and the Audit Committee itself, and reports on the activities of Group Compliance & Ethics and Group Security.

In the annual work plan of the Supervisory Board, in addition to the issues arising from legal compliance, the issues related to long-term sustainability were emphasized, including strategy, long-term investment policy, the provision, retention and development of human resources and knowledge, as well as corporate governance were included.

During 2021 the work of the Supervisory Board covered the oversight of MOL Group's 2030+ "Enter Tomorrow" strategy update. We believe that this strategy will provide the foundation for MOL Group to accelerate the company's transformation as well as the announcement of a wide set of non-financial targets with a strong climate change focus.

In addition to last year the Supervisory Board requested and received information in detail regarding the implications of the coronavirus epidemic and the company's response to maintain a safe working environment for our employees. In our view, the Board of Directors and management have taken appropriate and proportionate measures to significantly mitigate the risks to employees.

The Supervisory Board also paid close attention to the evolution of the company's financial results, capital market developments, and ESG issues.

Based on a number of thematic reports presented to the Supervisory Board, a series of discussions were held encompassing a broad range of topics, including progress on health & safety and environmental performance, digital landscape, upskilling and reskilling of the workforce in light of rapidly changing labour markets and the successful execution of the strategy, macroeconomic and industrial developments, changes to the regulatory landscape in the European Union, the progress of major Downstream and petrochemical strategic projects.

Overall the Supervisory Board received continuous and adequate information on the decisions of the Board of Directors and issues concerning the Company.

The Company's 2021 financial statements - prepared in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS") - were audited by Ernst & Young Kft. and provide a true and fair view of its economic operations in compliance with their opinion. The accounting methods applied in developing these financial reports are supported by the report of the Audit Committee, comply with the provisions of the Accounting Act and the IFRS rules and are consistent with the accounting policies of the Company. All figures in the balance sheet are supported by analytical bookkeeping. Assessment and payment of tax obligations were executed as prescribed by law.

As the financial statements clearly show, 2021 was a successful year for MOL, it delivered a clean CCS EBITDA of USD 3,531mn representing more than 70% increase compared to 2020 exceeding the Company's upgraded annual capital market guidance of USD 3.2bn, mainly as a result of gradually rising oil and gas prices and the favourable refinery and petrochemical environment. Total organic investments reached at USD 1,543mn thus simplified FCF amounted to USD 1,988mn as all segments generated sizeable positive simplified FCF. Accordingly net debt/EBITDA decreased to 0.6 from 1.6.

In line with the above the Supervisory Board proposes that the General Meeting approves the audited financial statements of MOL Plc. for 2021 with total assets of HUF 4,307,561 million and the net income of HUF 409,140 million and the audited consolidated financial statements of MOL Group for 2021 with total assets of HUF 6,494,259 million and the net income of HUF 549,591 million.

In line with the Dividend Proposal the Supervisory Board discussed and endorses the recommendation of the Board of Directors to pay out a total HUF 241,933,958,400 as dividend in 2022 based on the year ended 31 December 2021

The Supervisory Board has reviewed and supports all proposals and materials of the Board of Directors submitted to the General Meeting and recommends to the General Meeting to approve the proposals.

Further, the Supervisory Board has reviewed and approved the Corporate Governance Declaration and recommends to the General Meeting to approve it.

Budapest, 6 April 2022

On behalf of the Supervisory Board and the Audit Committee of MOL Plc.:

Zoltán Áldott
Chairman of the Supervisory Board

Dr. Attila Chikán
Chairman of the Audit Committee

Proposal to Item No. 1 of the Agenda

Decision on the approval of the Company's 2021 IFRS parent company and consolidated financial statements, the distribution of profit after taxation and the amount of dividend

The Board of Directors submits to the General Meeting the following resolution proposal

Proposed resolution

The General Meeting approves the 2021 parent company financial statement of MOL Plc. prepared based on Section 9/A of the Hungarian Accounting Act, in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS) and the related independent auditors' report with total assets of HUF 4,307,963 million and net income of HUF 411,242 million.

The General Meeting furthermore approves the 2021 consolidated financial statement of MOL Plc. prepared based on Section 10 of the Hungarian Accounting Act, in accordance with the IFRS and the related independent auditors' report with total assets of HUF 6,494,259 million and net income of HUF 549,591 million.

Note: In accordance with the EU Regulation 2019/815 and the Transparency Directive, issuers shall prepare their annual financial reports in XHTML format from 2021.

AGENDA ITEM No. 1

Decision on the amount of dividend after 2021

MOL has always been following a conservative financial policy, making sure it has financial stability and sufficient liquidity with a robust balance sheet, which provides both safety and flexibility. MOL also remains committed to provide its shareholders a competitive return through the distribution of cash dividends. Accordingly, the dividend proposal of the Board of Directors is always a balancing act, taking into account the company's actual balance sheet as well as the outlook for organic and inorganic growth opportunities. MOL considers cash dividends as the primary shareholder remuneration tool.

2021 was a successful year, MOL generated USD 3.53bn EBITDA and USD 1.98bn simplified free cash flow, which led to further deleveraging of the balance sheet: at the end of 2021 Net Debt to EBITDA ratio stood at 0.6x. This provides MOL with flexibility to fund the upcoming transformational projects. The Board of Directors considered the 2021 results, the strength of the balance sheet, future investment plans and uncertainties of external market conditions in light of the recent macro developments, therefore the Board of Directors proposes to raise the base dividend to around HUF 100 per share from last year's HUF 95 per share, thus continuing the previous trend of gradually increasing base dividend. Additionally, the Board of Directors also considered that following the emergence of COVID-19 MOL did not propose cash dividend payments in the 2020 calendar year. Furthermore, MOL generated record high EBITDA and free cash flow in 2021 supported by very strong macro conditions, therefore the Board of Directors proposes an additional special dividend amounting to around HUF 200 per share. The base and special dividend proposal implies a total dividend per share of approximately HUF 300.

These amounts would correspond to a total dividend payment of HUF 241,933,958,400 paid for the financial year 2021 – taking into account the expected approximate number of treasury shares at the record date –, which the Board of Directors proposes to the General Meeting.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting decides that a total sum of HUF 241,933,958,400 shall be paid out as dividend in 2022, for the 2021 financial year. The dividend on treasury shares will be distributed to those shareholders eligible for such dividend, in proportion to their number of shares. The net profit shall be transferred to retained earnings.

Proposal to Item 1 of the Agenda

Approval of the Corporate Governance Declaration

Budapest Stock Exchange ("BSE") published its corporate governance recommendations ("Recommendations") in 2004. In the same year, MOL voluntarily submitted its declaration on the compliance with the Recommendations among first issuers. From 2005 MOL is obliged to submit its declaration on the Recommendations. The Board of Directors approved the declaration in both years. Pursuant to the Company Act (Act IV of 2006 on Business Associations) effective in 2006, from 1 July 2006 the declaration needs to be approved by the general meeting, MOL however playing a pioneer role approved already in 2006 by its annual general meeting the declaration to be submitted to the BSE. The Civil Code (Act V of 2013 on the Civil Code) currently in force containing – among others – the provisions regarding the business associations requires the public limited company to present to the annual general meeting the company governance and management report prepared according to the rules applicable to the actors of the given stock exchange.

The BSE has modified its Corporate Governance Recommendations ("CGR") several times in recent years, the latest amendment came into force on 1 January 2021.

According to the CGR, companies listed on the stock exchange are required to express their views on their corporate governance practices in two ways. In the first part of the statement they have to give account of the corporate governance practices applied by their company in the given business year, including their corporate governance policy, and a description of any unusual circumstances.

In the second part of the statement, in accordance with the "comply or explain" principle, they have to indicate their compliance with those recommendations included in specified sections of the CGR ("R" - recommendation) and whether they apply the different suggestions formulated in the CGR ("S" - suggestion). If the issuer does not apply the recommendation or applies it in a different manner, an explanation of what the discrepancies are and the reasons for the said discrepancies should be provided ("comply or explain" principle). In the case of suggestions, companies shall only indicate whether they apply the given guideline or not; there is no need for a specific explanation.

The Corporate Governance Guidelines of the BSE are available on: https://bse.hu/Issuers/corporate-governance-recommendations/Corporate-Governance-Recommendations

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting approves the Corporate Governance Declaration, based on the Corporate Governance Recommendations of the Budapest Stock Exchange.

DECLARATION

MOL Plc. Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations

Content

MOL Hungarian Oil and Gas Public Limited Company (hereinafter: "MOL" or "Company") has always been committed to implementing the highest standards of corporate governance structures and practices. This is not only with regard to national expectations but also with reference to the continually evolving and improving standards of good governance on an international level. As a result MOL is geared towards shareholders' interests, whilst taking into account the interests of a broader group of stakeholders inevitably necessary to enhance the creation of exceptional value for MOL's shareholders and society.

Among other things, the voluntary approval of the declaration on the Budapest Stock Exchange Corporate Governance Recommendations by the Annual General Meeting in 2006, before the official deadline, served as testament to the Company's commitment to corporate governance. In addition, MOL made a declaration concerning the application of the corporate governance recommendations of the Warsaw Stock Exchange prior to the admission of its shares to the Warsaw Stock Exchange in December 2004. The Company submits its declaration on this topic to the Budapest Stock Exchange every year, reviews the compliance with the Recommendation of the Warsaw Stock Exchange and in case of any change, publishes it.

MOL's corporate governance practice meets the requirements of the regulations of the Budapest Stock Exchange and the relevant capital market regulations. MOL also subjects its policies to regular review to ensure that they take account of the continually evolving international best practice in this area.

1. THE OPERATION OF THE BOARD OF DIRECTORS

1.1. Brief presentation of the operation of the Board of Directors

MOL's Board of Directors acts as the highest managing body of the Company and as such has collective responsibility for all corporate operations.

The Board's key activities are focused on achieving increasing shareholder value with also consideration to other stakeholders' interest; improving efficiency and profitability and ensuring transparency in corporate activities and sustainable operation. It also aims to ensure appropriate risk management, environmental protection and conditions for safety at work.

All decisions related to corporate governance which do not fall within the exclusive competence of the General Meeting or other corporate bodies by law or the Articles of Association belong to the competence of the Board of Directors.

Given that MOL and its subsidiaries effectively operate as a single economic unit, the Board is also responsible for enforcing its aims and policies and for promoting the MOL culture throughout the entire Group.

1.2. The distribution of responsibilities and tasks between the Board of Directors and the management.

Operation of the Board of Directors

The Board acts and adopts resolutions as a collective body.

The Board adopted a set of rules (Charter) to govern its own activities in 1991, when the Company was founded; these rules were updated in February, 2022 to ensure continued adherence to best practice standards.

The Charter covers:

- scope of the authority and responsibilities of the Board,
- scope of the committees operated by the Board,
- the scope of the information required by the Board and the frequency of reports,
- main responsibilities of the Chairman and the Deputy Chairman,
- order and preparation of Board meetings and the permanent items of the agenda, and
- decision-making mechanism and the manner in which the implementation of resolutions is monitored,
- rules on conflict of interest.

Members of the Board of Directors shall sign an Annual Declaration on Conflict of Interest in accordance with the form approved by the Board of Directors simultaneously with accepting their membership, and in every calendar year 30 days prior to the date of the annual general meeting. If any conflict of interest specified in the Charter of the Board of Directors occurs with respect to the member of the Board of Directors, such member shall report in Ad hoc Declaration on Conflict of Interest to the Corporate Governance and Remuneration Committee.

The Board of Directors reviewed the publications and the publication processes of MOL Plc. and concluded that the company has robust and efficient processes in place to ensure full compliance with the BSE Corporate Governance Recommendations.

Relationship with the Board of Directors and MOL Group organisations

The governance of the Company is carried out in line with standardised corporate governance principles and practice, and within its framework, starting from 1 February, 2019 authorities and tasks related to the operation of the Company, furthermore certain responsibilities and tasks of strategic importance from the view of Company operations are divided between two top management committees, the Chief Executives' Committee ("CEC") and the Management Committee ("MC").

A consistent document prescribes the distribution of decision-making authorities between the Board of Directors and the Company's organisations, defining the key control points required for the efficient development and operation of MOL Group's processes.

Control and management of MOL Group is implemented through business and functional organisations. To enhance corporate governance MC provides a direct link between the CEC and the Company's work organization, vast majority of the topics discussed by the MC are related to the core operation of the Company. The Chairman of the MC is the Group Chief Executive Officer, its members are the Group Chief Financial Officer, the Group Exploration & Production Executive Vice President, the Group Downstream Executive Vice President, the Group Consumer Services Executive Vice President, the Chief Executive Officer of SLOVNAFT, a.s., the President of the Management Board of INA d.d., the MOL Hungary Managing Director, the Group Human Resources Vice President and the Group Strategic Operations and Corporate Development Executive Vice President.

The CEC, being the regular forum of the three level 1 leaders of the Company, is established with the aim of adopting strategic decisions which do not belong in the competency of the Board of Directors or the general meeting. The CEC examines and supervises matters to be submitted the Board of Directors, furthermore renders preliminary opinion on certain proposals submitted to the Board of Directors. The Chairman of the Chief Executives' Committee is the Chairman-CEO, its members are the Group Chief Executive Officer and the Deputy Chief Executive Officer.

Additionally, the CEC and the MC operate as decision-making bodies in all questions delegated to their competence by internal regulations and which do not belong in the capacities of the Board of Directors or the general meeting in accordance with the laws and the Articles of Association.

Each member of the MC and the CEC shall have one vote, decisions of the forums are passed with a simple majority of the votes.

2. INTRODUCTION OF THE MAIN MANAGEMENT BODIES

2.1. Board of Directors

The majority of the members of the Board of Directors are non-executive directors (7 out of 11 members), thus ensuring the independence of the Board from the work organization.

In the course of 2021, 7 members of the Board of Directors were independent in accordance with their related declaration (based on NYSE and EU recommendations).

Members of the Board of Directors in 2021 and their status of independence (professional CVs of members are available on the Company's website):

Name	Status	Mandate
Zsolt Hernádi, Chairman	non-independent	Elected by the General Meeting to be member of the Board of Directors from 24 February, 1999
Dr. Sándor Csányi, Deputy Chairman	independent	Elected by the General Meeting to be member of the Board of Directors from 20 October, 2000
Zsigmond Járai	independent	Elected by the General Meeting to be member of the Board of Directors from 29 April, 2010
Dr. János Martonyi	independent	Elected by the General Meeting to be member of the Board of Directors from 1 July, 2014
József Molnár	non-independent	Elected by the General Meeting to be member of the Board of Directors from 12 October, 2007
Dr. László Parragh	independent	Elected by the General Meeting to be member of the Board of Directors from 29 April, 2010
Dr. Anthony Radev	independent	Elected by the General Meeting to be member of the Board of Directors from 30 April, 2014

Dr. Martin Roman	independent	Elected by the General Meeting to be member of the Board of Directors from 29 April, 2010
Talal Al-Awfi	independent	Elected by the General Meeting to be member of the Board of Directors from 30 April, 2019
JUDr. Oszkár Világi	non-independent	Elected by the General Meeting to be member of the Board of Directors from 1 May, 2011
Dr. György Bacsa	non-independent	Elected by the General Meeting to be member of the Board of Directors from 23 December, 2021

2.2. Supervisory Board

The Supervisory Board is responsible for monitoring and supervising the Board of Directors on behalf of the shareholders (general meeting). Members of the Supervisory Board shall be elected by the general meeting for a definite period, but for a maximum of five (5) years. The Supervisory Board currently consists of 15 members. In accordance with the Civil Code, 1/3 of the members shall be representatives of the employees, accordingly currently five members of the MOL Supervisory Board are employee representatives while the other ten external persons are appointed by the shareholders.

The members of the Supervisory Board and their independence status:

Zoltán Áldott, Chairman	non-independent
Dr. Attila Chikán, Deputy Chairman	independent
Ilona Dávid	independent
Dr. Lajos Dorkota*	independent
Kaderják Péter**	independent
Vladimír Kestler	independent
András Lánczi	independent
Ivan Mikloš	independent
Márton István Nagy**	independent
Dr. Anett Pandurics	independent
Piroska Bognár	non-independent (employee representative)
Tibor István Ördög	non-independent (employee representative)
Dr. Sándor Puskás	non-independent (employee representative)
Csaba Szabó	non-independent (employee representative)
András Tóth	non-independent (employee representative)

* Dr. Lajos Dorkota was elected by the Board of Directors of MOL Plc. on behalf of the 2021 Annual General Meeting as member of the Supervisory Board from 1 July 2021

** Péter Kaderják and Márton István Nagy were elected by the Board of Directors of MOL Plc. on behalf of the 2021 Annual General Meeting as members of the Supervisory Board from 1 May 2021

The Chairman of the Supervisory Board is a permanent invitee to the meetings of the Board of Directors, Finance and Risk Management Committee and Sustainable Development Committee meetings.

Regular agenda points of the Supervisory Board include the quarterly report of the Board of Directors on the Company's operations and the reports of Internal Audit and Corporate Security, furthermore it is informed on other relevant topics. In addition, the Supervisory Board reviews the proposals for the Annual General Meeting.

2.3. Management members CEC and MC

Members of the CEC:

Zsolt Hernádi	Chairman-CEO (C-CEO)
József Molnár	Group Chief Executive Officer (GCEO)
Dr. Oszkár Világi	Deputy Chief Executive Officer (DCEO); C-CEO, SLOVNAFT, a.s.

Members of the MC:

József Molnár	Group Chief Executive Officer (GCEO)
Zdravka Demeter Bubalo*	Group Human Resources Senior Vice President until 31 August 2021
Lana Faust Križan**	Group Human Resources Vice President since 1 October 2021
Sándor Fasimon	President of INA d.d. Management Board
Berislav Gašo	Group Exploration & Production Executive Vice President
Péter Ratatics	Group Consumer Services Executive Vice President, MOL Hungary Managing Director
Marek Senkovič	CEO of SLOVNAFT, a.s.
József Simola	Group Chief Financial Officer (GCFO)
Gabriel Szabó	Group Downstream Executive Vice President
Dr. György Bacsa***	Group Strategic Operations and Corporate Development Executive Vice President

* Member of the MC until 31 August 2021

** Member of the MC starting from 1 October 2021

*** Member of the MC starting from 1 December 2021

2.4. Presentation of the committees' structures

The Board operates its committees to increase the efficiency of the Board's operations and to provide the appropriate professional background for decision-making.

The committees are preparatory, advisory, opinion-forming and proposal-preparing bodies of the Board of Directors and have prior opinion-forming rights, as set out by MOL Group's List of Decision-making Authorities, in certain questions belonging to the competency of the Board of Directors and in those which are delegated to the competency of respective executive members of the Board of Directors, as the executive management of the Company.

The responsibilities and the rules of procedure of the committees are determined by the Board of Directors based on the proposal of the chairmen of the committees.

The Chairman of the Board of Directors may also request the committees to perform certain tasks.

The members and chairmen of the committees are elected by the Board of Directors. The majority of committee members are non-executive and independent.

The Board operates the following committees and allocates responsibilities to the various committees as follows:

Corporate Governance and Remuneration Committee

Members and dates of appointment to the committee (professional CVs of members are available on the Company's website):

- Dr. Sándor Csányi - chairman, 17 November, 2000
- Zsolt Hernádi, 8 September, 2000
- Dr. Martin Roman, 4 June, 2010
- Dr. Anthony Radev, 30 May, 2014
- Dr. János Martonyi, 1 July, 2014

The Chairman of the Board of Directors is a permanent member of the Corporate Governance and Remuneration Committee.

Responsibilities:

- Analysis and evaluation of the activities of the Board of Directors,
- issues related to Board/Supervisory Board membership,
- promoting the contact between shareholders and the Board,
- procedural, ethical and regulatory issues,
- reviewing corporate processes, procedures, organisational solutions and compensation and incentive systems and making recommendations on the implementation of best practices.

Finance and Risk Management Committee

Members and dates of appointment to the committee (professional CVs of members are available on the Company's website):

- Zsigmond Járai – chairman, 4 June, 2010
- Dr. László Parragh, 20 February, 2014
- Dr. Anthony Radev, 30 May, 2014
- Talal Al-Awfi, 30 May, 2019

The Chairman of the Board of Directors, the Chairman of the Supervisory Board and the Chairman of the Audit Committee are permanent invitees to the meetings of the Finance and Risk Management Committee.

Responsibilities:

- Review of financial and related reports,
- monitoring the efficiency of the internal audit system,
- review of the scope and results of the planning and audit,
- monitoring of the risk management system,
- monitoring the liquidity position of the Company, the financial and operational risks and the management thereof, review of the operation of Enterprise Risk Management (ERM) system,
- monitoring the independence and objectivity of the external auditor.

Sustainable Development Committee

Members and dates of appointment to the committee (professional CVs of members are available on Company website):

- Dr. László Parragh – Chairman, 30 May, 2014
- József Molnár, 5 September, 2013
- Dr. János Martonyi, 1 July, 2014

The Chairman of the Board of Directors, the Chairman and Deputy Chairman of the Supervisory Board are permanent invitees to the meetings of the Sustainable Development Committee.

Responsibilities:

- To review, evaluate and comment for the Board of Directors on all proposals related to sustainable development (SD),
- to monitor the development and implementation of all SD related policies (e.g. HSE, Code of Ethics, etc.) and discuss ethical issues,
- to supervise the progress on the strategic focus areas of SD in MOL Group,
- to request and discuss reports from business divisions and subsidiaries about their SD performance,
- to review sustainability related data and information of external reports.

Audit Committee

Members of the Audit Committee and dates of their appointment (professional CVs of current members are available on the Company's website):

- Dr. Attila Chikán - chairman, 27 April, 2006
- Ilona Dávid, 1 June, 2017
- Ivan Mikloš, 1 May, 2016
- Dr. Anett Pandurics, 30 April, 2019
- Márton István Nagy, 1 May 2021

In 2006, the general meeting appointed the Audit Committee comprised of independent members of the Supervisory Board. The Audit Committee strengthens the independent control over the financial and accounting policy of the Company.

The independent Audit Committee's responsibilities include the following activities among others:

- providing assistance to the Supervisory Board in supervising the financial report regime, in selecting an auditor and in working with the auditor, reviewing and monitoring the independence of the statutory auditor, monitoring the effectiveness of the Company's internal audit and risk management systems and make recommendations if necessary;
- carrying out the tasks of the audit committees of its subsidiaries which are consolidated by the Company, operate as public limited companies or issue securities admitted to trading on regulated market, if the relevant laws allow that and the subsidiary in question does not operate a separate audit committee.

3. SPECIFYING THE NUMBER OF MEETINGS WHICH THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND COMMITTEES HELD IN THE GIVEN PERIOD, COMPLETED WITH ATTENDANCE RATES

3.1. Report of the Board of Directors on its 2021 activities

In 2021, the Board of Directors held 8 meetings with an average attendance rate of 96%. Attendance to the Board of Directors meetings during 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	8	96%
Zsolt Hernádi	8	100%
Dr. Sándor Csányi	7	88%
Zsigmond Járai	8	100%
Dr. János Martonyi	6	75%
József Molnár	8	100%
Dr. László Parragh	8	100%
Dr. Anthony Radev	8	100%
Dr. Martin Roman	8	100%
Talal Al-Awfi	8	100%
JUDr. Oszkár Világi	8	100%
Dr. György Bacsa*	-	-

* Dr. György Bacsa was elected by the 2021 Extraordinary General Meeting of MOL Plc. as member of the Board of Directors from 23 December 2021

Alongside regular agenda items, such as reports by the committees' chairmen on the activities pursued since the last Board meeting, the Board of Directors received updates on key strategic issues as well as an overview of capital market developments and individually evaluated the performance of each of the company's business units.

The Board of Directors respectively paid attention to the follow-up of the industry macro trends, the treatment of the challenges driven by the external environment, the financial and operational challenges caused by the pandemic situation and the strategy update process.

Detailed description of the Board's activity related to climate change can be found in Point 12.

3.2. Supervisory Board

In 2021 the Supervisory Board held 5 meetings with an 97% average attendance rate. Attendance to the Supervisory Board meetings during 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	5	97%
Zoltán Áldott	5	100%
Dr. Attila Chikán	5	100%
Ilona Dávid	3	60%
Dr. Lajos Dorkota*	2	100%
Péter Kaderják**	3	100%

Vladimír Kestler	5	100%
András Lánczi	5	100%
Ivan Mikloš	5	100%
Márton István Nagy**	3	100%
Dr. Anett Pandurics	5	100%
Piroska Bognár	5	100%
Dr. Sándor Puskás	5	100%
Tibor István Ördög	5	100%
Csaba Szabó	5	100%
András Tóth	5	100%

* Dr. Lajos Dorkota was elected by the Board of Directors of MOL Plc. on behalf of the 2021 Annual General Meeting as member of the Supervisory Board from 1 July 2021.
** Péter Kaderják and Márton István Nagy were elected by the Board of Directors of MOL Plc. on behalf of the 2021 Annual General Meeting as members of the Supervisory Board from 1 May 2021.

3.3. Other committees

Report of the Audit Committee on its 2021 activities

In 2021, the Audit Committee held 5 meetings with a 96% average attendance rate. Attendance to the Audit Commitee meetings during 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	5	96%
Dr. Attila Chikán	5	100%
Ilona Dávid	4	80%
Ivan Mikloš	5	100%
Dr. Anett Pandurics	5	100%
Márton István Nagy*	3	100%

* Márton István Nagy was elected by the Board of Directors of MOL Plc. on behalf of the 2021 Annual General Meeting as member of the Audit Committee from 1 May 2021.

In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance to the auditor's work and the regular monitoring of Internal Audit, the Committee reviewed the major risk factors of the Company, considering the changed international financial situation and the status reports on risk management actions attached to these factors. The Audit Committee continuously monitored the Company's financial position. The Audit Committee reviewed the materials of the Annual General Meeting (i.e. financial reports, statements of the auditor). The Audit Committee participated in the procedure of selecting an auditor and made a recommendation to the Supervisory Board regarding the appointment of the auditor.

Information related to the operation of the committes of the Board of Directors can be found in Point 5.

4. A PRESENTATION OF THE WORK DONE BY THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD AND THE MANAGEMENT AS WELL AS THE CONSIDERATIONS FOR ASSESSING THEIR INDIVIDUAL MEMBERS

The Board of Directors – with the aim of quality improvement - formally evaluates its own and its committees' performance from operation efficiency perspective on a yearly basis, furthermore continuously reviews its own activity. The result of the evaluation is discussed by the Board of Directors.
The Supervisory Board annually evaluates its performance simultaneously with the approval of the work plan for next year.

4.1. Performance evaluation of the Chief Executives' Committee (CEC) and the Management Committee (MC)

The aim of MOL's remuneration system is to provide incentives for the top management to carry out the company's strategy and reward them for the achievement of strategic goals through a combination of short-term and long-term incentives. Remuneration plays an important role in supporting the achievement of the individual, divisional and corporate goals. Through the design of its incentive schemes, MOL aims to ensure that executive remuneration is in compliance with and supports the strategic goals of the company thus ensuring the alignment of the interests of the executives with those of our shareholders.

The remuneration of CEC and MC consists of three key pillars:

- Annual Base Salary (BS): fixed annual amount paid to the individuals
- Short-Term Incentive (STI): annual incentive, based on individual and company performance
- Long-Term Incentive (LTI): an incentive that promotes performance driven culture enhances the focus on strategy which is in compliance with the interests of shareholders

The incentive scheme of the top management comprised the following elements in 2021:

4.1.1 Short Term Incentive system (STI)

The basis of the short term incentive is a target of 70%-100% of the annual base salary. The amount thereof is defined in line with the evaluation of performance of the given manager. The incentive is based on group, divisional and individual performance.

Based on MOL Group's decision making authorities the annual performance of the CEC members is evaluated by the Corporate Governance and Remuneration Committee with final approval of the Board of Directors. MC members' performance evaluation is conducted by CEC and CGRC. The annual performance of MC members is evaluated by the CEC and the Corporate Governance and Remuneration Committee.

Performance Measures for the STI

The aim of MOL Group STI scheme is to motivate the participants to achieve operative, business and individual performance targets which can be reached within a year, and support MOL Group's long term strategy.

In 2021, the CEC and MC's STI framework was designed to include key focus areas in a mix of financial and non-financial KPIs in order to achieve the targets of MOL Group.

Financial KPIs:

The key focus of the Chief Executives' Committee members was to deliver the MOL Group EBITDA and CAPEX targets to achieve the 2030 strategic targets of MOL Group. Other relevant financial targets may contain efficiency, investment and cost-related indicators. In 2021, the key focus of the Chief Executives' Committee members was to deliver the EBITDA and free cash-flow targets to achieve the 2030 strategic targets of MOL Group.

Management Committee members' performance is assessed on operative and financial measures reflecting annual priorities and the strategic direction of each business division within the framework of the Group's long-term strategy. Financial KPIs are suggested by Group Financial Planning and Reporting, and may contain efficiency, investment and cost-related indicators.

Non-financial KPIs:

CEC and MC members are also accountable for non-financial targets alongside financial ones:

Safety is a number one Group priority, which is why the Corporate Governance and Remuneration Committee consistently defines divisional SD&HSE-(Sustainable Development and Health, Safety and Environment) related performance indicators. Hence in 2021, MOL Group set the fulfillment of TRIR indicators of each business units, as this shows the commitment for conducting safe, sustainable and compliant operations at all times. number of work accidents is also set as KPI.

For CEC members individual targets were set to further implement the MOL Group 2030 Strategy increase employee engagement, to review and simplify the governance structure in order to enhance the new operation modell which enables more agile operation and faster decision-making.

For MC members individual targets were set to increase efficiency, implement cost optimizing projects, to realize their division's business strategy, e.g.: strategic portfolio management, decarbonization projects, digitalization projects.

Short-term incentive results and their evaluation

The applied performance indicators reflect the intention of the Corporate Governance and Remuneration Committee to assess the participants based on a broad range of corporate and divisional measures.

The payout of the incentive is calculated based on the Corporate EBITDA Factor and the the financial and/or non-financial divisional and individual factors' evaluation. The evaluation of the financial targets is made based on the results prepared by the Group Financial Planning and Reporting organization, by the Corporate Governance and Remuneration Committee who judges whether the results against the performance measures are a reflection of the underlying performance of MOL Group.

4.1.2 Short term share ownership program

CEC, MC members and top management can select each year instead of their short-term incentive a share ownership scheme in each year, which is operated via a legal entity independent from MOL Plc., called MOL Plc. Employee Share Ownership Program Organization which in compliance with the provisions of the so-called Employee Share Ownership Program (Munkavállalói Résztulajdonosi Program, 'MRP') legislation.

The primary aim of this voluntary short-term share ownership program is to incentivize the top management to achieve the strategic targets of MOL Group in line with the shareholders' interests.

Program characteristics:

- Joining the program is voluntary.
- The basis of the entitlement is a certain number of shares equal to the short-term incentive entitlement converted to shares with the December average MOL Plc. share price before the target year.
- Final payout is based on the overall performance evaluation, consisting of the Corporate, Divisional and Individual payout rates.
- Further condition for the payment is that the MOL Plc. share price shall be higher at the end of the performance period than it was at the beginning.
- The payment is made in MOL Plc. shares.

4.1.3 Long Term Incentive

The purpose of the long-term incentive system is to enhance individual performance to enable future growth of MOL Plc. and MOL Group financial performance and improvement of efficiency by taking into account shareholder interests. The long-term incentive framework was reviewed in the last quarter of 2020. Starting from 1 January 2021, Restricted Share Plan is applied instead of the old schemes. The previous long term incentive plans remain valid until payout or expiry.

The new long-term incentive creates an even stronger link to the the strategic targets of MOL Group, shareholders' interests and long-term incentivization and retention of top management. The long-term incentives are managed and paid out in accordance with personal scope and other conditions either through MRP program in line with the provisions set in internal policies.

4.1.3.1 Restricted Share Plan

The program is a 3-year share-based incentive based on MOL corporate performance with the following characteristics:

- A new program starts in each year on a rolling scheme with a 3-year performance period. Payments are due 4th year.
- Corporate performance – MOL Group EBITDA performance – is evaluated after the 3-year performance period.
- Individual performance is evaluated after the 3-year performance period.
- The above methodology ensures that both corporate and individual performance is reflected in the final incentive amount.
- Further condition for the payment is that the MOL Plc. share price shall be higher at the end of the performance period than it was at the beginning.
- The payment is made in MOL Plc. shares.

4.1.3.2 Absolute Share Value Based Remuneration (expiring)

The basis of the remuneration is a share entitlement. The incentive pays at a selected date within the redemption period and the payout is calculated as a difference between a past strike price and a selected spot price, defined in a number of shares.

Overview:

Absolute Share Value Based Remuneration	Strike Price	Redemption Period
2018	3 107 HUF	1 Jan 2020-31 Dec 2021
2019	3 052 HUF	1 Jan 2021-31 Dec 2022
2020	2 918 HUF	1 Jan 2021-31 Dec 2023

4.1.3.3 Relative Market Index Based Remuneration

The program is a 3-year share-based incentive using the MOL Plc. comparative share price methodology with the following characteristics:

- The target is the development of MOL's share price compared to relevant and acknowledged CEE regional and industry specific indices.
- The expected payout amount is additionally linked to individual short-term performance, as the potential payout is based on three years' individual factors in the annual performance evaluation for each participant. This ensures that constant individual over-performance on a long-term basis is rewarded and the consequences of long term underperformance are managed.
- The remuneration is share based, and it is paid either in MOL shares or in cash.

The following chart provides an overview about the latest Performance Share Plan results for the 3-year programs:

Performance measures of the long-term incentive plans

Long-term incentive plan is linked to share price and dividend payment reflecting the Board's strategic priority on reaching continuous and sustainable value creation. Through its long-term incentives schemes, MOL prioritizes providing its shareholders with a return on their investment through both the appreciation of the share price as well as through the payment of dividends.

As MOL competes on a regional basis as well as with the global emerging market Oil & Gas sector companies, so the relative share based remuneration measures MOL performance to a relevant regional, and an industry specific benchmark index that indcoporate share prices of such companies. As such, MOL's incentive system provides competitive remuneration to executives and future investors on regional and global oil and gas markets taken in broader meaning as well.

5. A REPORT ON THE OPERATION OF EACH COMMITTEE

5.1 Report of the Corporate Governance and Remuneration Committee on its 2021 activities

In 2021 the Corporate Governance and Remuneration Committee held 6 meetings with a 97% average attendance rate. Attendance to the committee meetings in 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	6	97%
Dr. Sándor Csányi	6	100%
Zsolt Hernádi	6	100%
Dr. Martin Roman	6	100%
Dr. Anthony Radev	6	100%
Dr. János Martonyi	5	83%

In addition to the issues of corporate governance, remuneration and the composition of the management, the Committee discussed a number of key strategic and results-related topics prior to their presentation to the Board of Directors for discussion.

5.2 Report of the Finance and Risk Management Committee on its 2021 activities

In 2021, the Finance and Risk Management Committee held 5 meetings with an 75% average attendance rate. Attendance to the committee meetings in 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	5	75%
Zsigmond Járai	5	100%
Dr. László Parragh	5	100%
Dr. Anthony Radev	3	60%
Talal Al-Awfi	2	40%

In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance to the auditor's work and the regular monitoring of the internal audit, the committee reviewed the major risk factors of the Company, considering the changed international financial situation and the status reports on risk management actions attached to these factors.

5.3 Report of the Sustainable Development Committee on its 2021 activities

In 2021, the Sustainable Development Committee held 4 meetings with an 92% attendance rate. Attendance to the committee meetings in 2021 is set out in the table below:

	Number of Meetings	Attendance Ratio
Total	4	92%*
József Molnár	4	100%
Dr. László Parragh	4	100%
Dr. János Martonyi	3	75%

The Committee evaluated the accomplishment of the sustainability related actions taken in 2021 with focus on the ones included in MOL Group's Sustainability Plan for 2017-2021. The Committee formed opinion on the annual Sustainable Development Report and on thematic reports submitted by selected business units. External evaluations made about MOL Group's sustainability performance were also reviewed with highlighted attention on the fact that the company remained a component of the Dow Jones Sustainability Index.

6. A DESCRIPTION OF THE SYSTEM OF INTERNAL CONTROLS, AN EVALUATION OF THE ACTIVITIES PERFORMED IN THE GIVEN PERIOD

6.1. Internal control

Compliance & Ethics

MOL Group is committed to pursue ethical, fair and compliant conduct in all activities. In order to achieve the above aims MOL Group operates its Ethics Program and Compliance Plan within Group Strategic Operations and Corporate Development organization. Furthermore, in order to enforce the Code of Ethics and Business Conduct, the independent and objective operation on daily basis belongs to the competence of the Ethics Council, to ensure independence when investigating ethics related complaints.

Ethics activities include the operation of the whistleblowing system ('SpeakUp!'), conducting internal inspections/investigations, preparation of risk analysis, reports.

While taking the specific nature of business into consideration, compliance function reviews the operation and activity of business and functional units. Following the evaluation of the relevant risk factors the organization makes recommendations in order to enhance compliance and also provides assistance for their execution.

Trainings provided on ethical and compliance rules, principles and values aim to raise awareness of employees, they fulfil a preventive function as well.

Compliance and ethics functions carry out all tasks and responsibilities in accordance with the laws of each country, taking EU and international expectations as minimum standards. The organization's competence covers the whole Group through group and local compliance experts and ethics officers.

The organization reports compliance activities annually to the Supervisory Board and informs the Sustainable Development Committee as well, whilst ethics activities are annually reported to the Supervisory Board, the Board of Directors and simultaneously to the Sustainable Development Committee.

In 2021, 34 investigations were conducted, continuing to focus on competition law and growing data protection awareness. In line with the operation of MOL Group, enhanced focus will be put on the law of international sanctions in the future (in addition to other risk areas such as competition law, personal data protection, AML, and consumer protection) .

In 2021, there were 105 ethics reports, which is a significant increase compared to 2020 (78 reports). The 2020 decrease was most likely a result of the coronavirus, 2021 data shows similar statistics to what we have seen before the pandemic.

Internal Audit

Internal Audit provides an independent and objective evaluation of financial, operational and control activities, business and functional processes executed within the whole MOL Group and reports on the adequacy of internal controls, the level of compliance with internal and external regulations directly to the Finance and Risk Management Committee, Audit Committee and Supervisory Board following the acknowledgement of the audit reports by the MC and the CEC.

There are no restrictions placed upon the focus and scope of internal audit's work, the scope of the Internal Audit function within MOL Group covers all operations including any activities and subsidiaries controlled by MOL Group. The Director of the Group Internal Audit and OD&CG unit is responsible for determining the scope of internal audit reports.

The main focus of Internal Audit is to review business and functional processes executed within the whole MOL Group, and to identify, understand, test and evaluate associated controls to ensure that identified risks are mitigated in the most favorable cost-benefit ratio from a business perspective.

Internal Audit applies standard risk assessment principles when evaluating the inherent risk of processes and residual risk derived from control weaknesses. The applied MOL Group internal audit risk assessment principles were approved by the Finance and Risk Management Committee and the Audit Committee.

Internal Audit operates under an audit plan approved by the Supervisory Board and pre-agreed with the Finance and Risk Management Committee and Audit Committee at the end of the year for the next one. If there is a request to modify the approved annual audit plan during the year or to conduct an extra audit not listed in the audit plan, the C-CEO has the authority to approve any mid-year modifications to the annual audit plan.

To provide the independence of the Internal Audit and Compliance function the Director of Group Internal Audit and OD&CG is accountable to the Finance and Risk Management Committee, Audit Committee and the Supervisory Board and has direct access to their chairmen (for daily operational matters the Director reports directly to the Group Strategic Operations and Corporate Development Executive Vice President of MOL Group). The Supervisory Board shall form opinion on the appointment and recall of the Director of Group Internal Audit and OD&CG.

MOL Group Internal Audit unit shall be organized and operated according to the professional auditing and internal audit ethical standards of the Institute of Internal Auditors (IIA), the authoritative body for internationally recognized internal audit standards.

6.2. Integrated corporate risk management function

As operators in a high-risk industry MOL Group is committed to manage and maintain its risks within acceptable limits.

The aim of MOL Group Risk Management is to keep the risks of the business within acceptable levels and safeguard the resilience of its operations as well as the sustainable management of the company. For this purpose, as an integral part of our corporate governance structure, MOL Group has developed a comprehensive Enterprise Risk Management (ERM) system which focuses on the organisation's value creation process, meaning factors critical to the success and threats related to the achievement of objectives but also occurrence of risk events causing potential impact to people, assets, environment or reputation. Within the ERM framework all significant risks throughout the whole Group are identified, assessed, evaluated, treated and monitored, covering all business and functional units, geographies as well as projects, taking into consideration multiple time horizons.

In order to ensure an effective risk management, risks are being managed (assess, evaluate, treat) as a 1st line of defence by Risk Owners who are managers responsible for each business area including supervising the existing mitigation and the implementation of new mitigation actions in their organisations. Group level business and functional units, specialised risk management functions and the Group Risk Management department provide oversight. The Management Committee, the Chief Executives' Committee, the Board of Directors and the Supervisory Board together with their specialized committees provide supervision and assurance on the effectiveness of the group level application of the risk management framework.

Regular risk reporting to top management bodies, including the Board of Directors with its committees provides oversight on overall the risk profile and the largest risks as well as assurance that updated responses, controls, and appropriate mitigation actions are set and followed.

Risks are assessed on three time horizons: defined financial risks on short term (1 year), all types of risks on mid-term (1-3 years) in the context of the Group's 3-years business plan in the frame of the bottom-up mid-term risk review process and on long-term (above 3 year, up to 10 year) in the context of the Group's long term2030+ strategy in the frame of a top-down risk review.

The main risk drivers of the Group

Risks/processes	**Risk description**	**Risk mitigation methods**
Market and financial risks		
Commodity price risk	The Group is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks stem from its long positions in crude oil, refinery margin and petrochemical margin.	• Integrated business model • Continuous monitoring • When necessary, commodity hedging instruments to mitigate other than 'business as usual' risks or general market price volatility
Foreign exchange (FX) risk	The Group has FX exposure due to mismatch of currency composition of cash inflows and outflows, investments, debts.	• Monitoring FX risk and balancing the FX exposures of the operating & investment cash flow with the financing cash flow exposures when necessary and optimal
Interest rate (IR) risk	MOL Group has a mixture of floating and fixed interest rate debts. Floating rate debt are subject to interest rate changes.	• Continuous monitoring • Adequate mix of funding portfolio • When necessary, interest rate swap hedging instruments to mitigate risks
Credit risk	MOL Group provides products and services with deferred payment terms to eligible customers which exposes it to credit risk.	• Diversified customer portfolio • Customer evaluation model, continuous monitoring • Group-wide credit insurance program
Financing/Refinancing risk	MOL Group has significant debt outstanding. Inability to refinance those or inability to draw down funds could cause liquidity problems.	• Diversified funding sources/instruments • Diversified, balanced, and decently long maturity profile • Investment grade rating (BBB-) of the Group affirmed by Fitch and S&P with a stable outlook supports smooth debt capital markets access
Operational Risks		
Physical asset safety and equipment breakdown risk	Process Safety Event (Major Industrial accident) due to loss of mechanical integrity, technical, technological or operational issues, process maintenance difficulties, lack of competent human resources.	• Comprehensive HSE activities, a group-wide Process Safety Management system including asset related operational risk management process • Preventive & Predictive maintenance (Uptime program) • Group-wide insurance management program
Crude oil supply risk	Crude supply disruption (insufficient quantity or quality) can disrupt refineries and petchem sites continuous operation.	• Crude oil-supply diversification strategy implemented; regular crude cargo deliveries from the Adriatic Sea via pipeline to the Group's land-locked refineries
E&P reserve replacement	Higher than expected decline of E&P production and failure to replace reserves.	• Optimization programs and reserve replacement are both focus areas of E&P operations

Risks/processes	Risk description	Risk mitigation methods
Cyber risk	Global trends showing steadily growing frequency and intensity of Cyber-attacks / incidents as well as more specified Cyber Crime Groups targeting Industrial Control System's weaknesses, which may have increasing economic impact and relevance on MOL Group.	• continuous improvement of cyber security capabilities • continuous supervision of cyber security risks (Group and opco level) ensuring the protection of the confidentiality, integrity and availability of data • Cyber security is built into all the MOL Group products and services • Continuous education of employees and partners.
Human Capital	The Group's ability to implement its 2030+ Strategy is dependent on the capabilities and performance of its people, management, experts and technical personnel.	• HR framework to attract, develop, reward and retain employees • Capability development for all employee levels to ensure future-proof skillset • Intergenerational collaboration to enhance internal knowledge transfer • Focus on digital transformation, and employee experience • developing innovative and collaborative culture flexible working arrangements and mobility frameworks to attract diverse talent
Pandemic Risk	Pandemics may significantly adversely affect the Group's business environment, including price and demand on the Group's products and services, availability of contractors, subcontractors as well as raw materials, creditworthiness of credit customers, availability of the Group's key personnel.	• Crisis Management plans in place • Group Crisis Management Team: continuous monitoring and implementing measures in line with the current situation
Strategic risks		
Regulatory risk	MOL has significant exposure to a wide range of laws, regulations and policies on the global, the European and the individual country level, that may change significantly over time and may even require the Group to adjust its core business operation.	• Continuous monitoring new regulations • Participation in legislative processes, consultations • Adopting MOL strategy in response to changes
Country risk	The international presence of MOL Group contributes to diversification but also exposure to country specific risk at the same time. Government actions may be affected by the elevated risk of economic and, in some regions, political crisis, increasing their impact on MOL's operations.	• Continuous monitoring of the political risk, compliance with local regulations and international sanctions. • Investment opportunities are valuated with quantifying of country risk in discount rate
Reputation risk	MOL, as a major market player and employer in the region with a sizeable operational footprint, operates under special attention from a considerable number of external stakeholders.	• Stakeholder governance processes introduced to monitor and adjust to any reputational risks
Climate change risk	Transition and physical risks associated with climate change have the potential to negatively impact MOL's current and future revenue streams, expenditures, assets and financing.	• MOL Group's transformational strategy • Several operational steps taken to mitigate physical risks emanating from climate change For more detailed information on Climate change risk, see TCFD disclosure section below
Capex Project Execution Risk	Projects are delayed or less profitable than expected or unsuccessful for numerous reasons, including cost overruns, higher raw material or energy prices, longer lead time in equipment deliveries, limited availability of contractors and execution difficulties.	• Disciplined stage gate process across Capex project pipeline • Dedicated team to identify risks at earlier stages, plan for mitigation or avoidance by linking potential risks with schedule and budget to build realistic estimates and following it up through the project lifecycle • Supplier selection criteria, audits

Risk Review Process in 2021

Risk owners in the Group identified, analyzed and evaluated their major risks in 2021 – both on medium-term and long-term time horizon - and defined and/or updated the relevant mitigation plans where it has been necessary. Risk reports have been discussed by the Finance and Risk Management Committee of the Board of Directors.

Main risk management tools

As described above, as a general risk management framework, we operate an Enterprise Risk Management system.

Hedging Policy: to ensure the profitability and the financial stability of the Group, financial risk management is in place to handle short-term, market related risks. Commodity price, FX and interest rate risks are measured regularly by using a complex model based on advanced statistical methods and are managed – if and when necessary - with hedging measures.

Insurance Policy: transferring the financial consequences of our operational risks is done by insurance management, which represents an important risk mitigation tool to cover the most relevant exposures and liabilities arising out of our operations. Insurance is managed through a joint program for the whole group to exploit considerable synergy effects.

Crisis and Business Continuity Management: following best industry practice and focusing on low probability high potential risks that could disrupt our operations, value chain and cash generation, MOL Group has implemented and is currently working to integrate a crisis management and business continuity program in order to reduce recovery times within tolerable limits for processes critical to our business.

TCFD disclosure on Risk Management

Climate change related risks are covered within the ERM framework, both in the long-term and mid-term risk review process.

Top-down approach is taken to identify and assess risks affecting the long-term strategy of the Group. Climate change risk, including transition and physical risks are assessed, together with mitigation plans within the strategic risk review process. Sponsorship, oversight of management of such risks sits with executive leadership, while operative leaders directly reporting to executive leadership are nominated as risk owners, who are responsible for assessment, mitigation of these risks. Strategic risk reports are discussed by the Finance and Risk Management Committee of the Board of Directors.

Within the bottom-up mid-term risk process several climate change related individual risks (regulatory changes, demand for fossil fuels, risk on physical assets) are and may be identified and reviewed regularly. Various organizational levels and geographies are involved in the process, with the aim of covering all material risks, including climate related ones. Operative managers are nominated as risk owners, being responsible for assessing and mitigating the relevant risks. Aggregated, consolidated risk report is discussed by the Finance and Risk Management Committee of the Board of Directors.

Risk owners, with the involvement of subject matter experts, assess risks taking into consideration the probability of occurrence and the potential impact on the Group's objectives. Depending on the level of risk acceptable for the Group, risk owners define appropriate mitigation plans.

Climate -related aspects are also part of project planning and decision process: MOL Group includes CO_2 emission estimates in project planning and approval documents. In parallel, a monitoring system has been operated to register and forecast project-related CO_2 emissions. For more on our governance around climate see Chapter 7.

Identified climate change related risks

- Identified **transition risks** include a) **policy and legal risks** (actions that attempt to constrain activities that contribute to climate change and/or actions that encourage adaption/limitation of climate change, including stricter emission rules and carbon pricing), b) **technological risks** (innovation that supports transition to a low carbon world, including increasingly efficient and lower consumption in transportation), c) **market risks** (shift in supply/demand for certain products and services due to changes in customer preferences: decline in demand for the fossil fuel, and technology), and d) **reputational risks** (stakeholder pressure). MOL Group's long-term strategy seeks not only to **mitigate risks** associated with the transition to a low carbon economy, but to capitalize on opportunities created by it.
- Identified **physical risks** include a combination of both **acute risks** (extreme rainfall and flooding), as well as **chronic risks** (extreme heat, fluctuating water levels and drought). If any of these events were to occur, they could have an adverse effect on the Group's assets, operations and staff. MOL Group has incurred and is likely to continue incurring additional costs to protect its assets, operations and staff from physical risks. To the extent such severe

weather events or other climate conditions increase in either frequency, severity or both, MOL Group may be required to adjust its operations and incur costs that could adversely affect its financial position.

MOL Group operates Risk Engineering program, where the potential impacts of water related events analyzed in main Downstream sites. Below is presented a high level overview of water related risks.

Water risks	Water related risk description & mitigation	
Flood risk	Major Downstream sites are located near to rivers, sea. Flood risk level is considered as low, as the sites' parameters/design provides enough mitigation capacities (which is supported by risk engineering reports)	
	Danube Refinery	The refinery site borders the River Danube, but the site process is far above the river level, and the site is located outside of a river flood hazard area.
	MOL Petrochemicals Tiszaújváros	The site is located about 1 km west of the Tisza River, and the site is far above sea level.
	Bratislava Refinery	The site's western perimeter is approximately 0.8 km from the River Danube.
	Rijeka Refinery	The site is located on the Adriatic Sea, with the minimum elevation being 4 m above mean sea level. In addition, there are no rivers or creeks in the area.
Drought risk/fluctuating water level	In case of drought event low level of Duna/Tisza rivers may hinder barge transport. Taking into account that railroad transportation can be applied as an alternative transport and planned upgrade of rail unloading capacities, the risk level is considered as low.	
Extreme rainfall	Water collecting pits may overflow in extreme rainfalls which may lead to contamination of receiving water body. Site reviews and mitigation actions are in progress.	

7. INFORMATION ON WHETHER THE AUDITOR PERFORMED ANY ACTIVITIES NOT RELATED TO AUDITING.

MOL Group was audited by Ernst & Young ("EY") in both 2021 and 2020, excluding FGSZ Zrt. (audited by PricewaterhouseCoopers Könyvvizsgáló Kft.) and some other non-significant subsidiaries.

Within the framework of the audit contract, EY performs an audit of consolidated and statutory financial statements, and interim financial statements of MOL Plc. The auditors ensure the continuity of the audit by scheduling regular fieldworks during the year, participating in the meetings of MOL's governing bodies and through other forms of consultation.

EY network provided non-audit services for MOL Group in the amount of HUF 248,4 mn in 2021. The non-audit services rovided by EY complied with the Policy for Services Provided by the External Auditor (FIN_GP19).

8. AN OVERVIEW OF THE COMPANY'S PUBLICATION POLICY AND ITS INSIDER TRADING POLICY.

8.1. An overview of the Company's publication policy

In its publication policy, MOL Plc. applies the disclosure rules prescribed by law, the Corporate Governance Recommendations of the Budapest Stock Exchange and the Company's Articles of Association.

The company places great emphasis on presenting its short- and long-term goals on a regular basis, periodically publishes presentations on its long-term strategy and explains its short-term objectives in detail in its annual and halfyear reports. In addition to the halfyear and annual report required by law, it publishes quarterly reports on its operational and financial results four times a year.

The guidelines for the nomination of members of the Board of Directors and the Supervisory Board available on its website.

Risk factors affecting the company's operation and management, as well as the company's risk management principles are constantly updated in its annual and semi-annual reports

It makes relevant information on employees and other stakeholders, corporate governance practices, the structure of the corporate governance system and the ownership structure available on its website.

Formal channels of communication with shareholders include regular announcements, the annual report, the half-year report and quarterly earnings reports, furthermore extraordinary announcements. Regular and extraordinary announcements are published on MOL's website (https://molgroup.info/en/investor-relations/investor-news), on the Budapest Stock Exchange (primary exchange), on the Warsaw Stock Exchange and on the Capital Market Information Disclosure System operated by the National Bank of Hungary (Magyar Nemzeti Bank). Moreover we send e-mail announcements to those who subscribed to the distribution list of e-mail announcements of Investor Relations and to the international and domestic media. In addition, presentations on the business, its performance and strategy are given to shareholders at the Annual General Meeting. Regular There is continuous communication with the company's investors and analysts, currently mainly through online channels. Furthermore, investors are able to raise questions or make proposals at any time during the year, including the Company's general meeting. Investor feedbacks are regularly reported to the Board of Directors.

8.2. Principles of insider trading policy

MOL Group is committed to the fair trade of financial instruments admitted to public trading.

MOL Group employees are expected:

- not to acquire or dispose of MOL or other company's shares or other financial instruments for their own account or for the account of a third party, directly or indirectly, do not withdraw or modify orders related to the above financial instruments, do not give order or instruction for this, do not induce another person to do so and do not suggest or accept decisions connected to the above financial instruments, if they are in possession of insider information,
- not to disclose insider information to persons not belonging to MOL Group except they are empowered in writing to do is,
- to be careful when disclosing insider information even within the employees of MOL Group, to hand over information only in the possession of a permission and to the extent necessary to carry out work,
- to protect insider information from accidental disclosures to the public.

All employees of MOL participates in regular, annual recurring training on the rules related to the prohibition of insider trading and the handling of insider information. Employees regularly take exams on the knowledge they have acquired in education.

The Insider Committee of MOL decides on matters related to the registration, delay, publication of insider information and other insider related questions.

9. AN OVERVIEW OF THE METHOD OF EXERCISING SHAREHOLDER RIGHTS.

9.1 Shareholder's rights regarding participation in the General Meeting and voting rights

The special legal provisions to be applied with respect to the extraordinary situation imposed in relation to the pandemic might impact the exercising of certain shareholder rights. The 2021 Annual General Meeting as well as the Extraordinary General Meeting held on 22 December 2022 was held in compliance with the provisions of Government Decree 502/2020 (XI.16.) effective on the date of the relevant General Meeting.

In accordance with Act V of 2013 on the Civil Code (hereinafter: "Civil Code") the shareholders have the right to participate, to request information and to make remarks and proposals at the General Meeting. Shareholders are entitled to vote, if they hold shares with voting rights. Shareholders having at least one per cent of the voting rights may request the Board of Directors to put an item to the agenda of the General Meeting. Where a group of shareholders together controlling at least one per cent of the votes in the Company propose certain additions to the agenda in accordance with the provisions on setting the items of the agenda, or table draft resolutions for items included or to be included on the agenda, the matter proposed shall be construed to have been placed on the agenda if such proposal is delivered to the Board of Directors within eight days following the time of publication of notice for the convocation of the General Meeting, and the Board of Directors publishes a notice on the amended agenda, and on the draft resolutions tabled by shareholders upon receipt of the proposal. The conditions to participate in the general meeting are published in the invitation to the general meeting. Invitations to the general meeting are published on the Company's website according to the Articles of Association.

Voting rights on the General Meeting can be exercised based on the voting rights attached to shares held by the shareholders. Each "A" Series share entitles its holder to one vote. The actual voting power depends on how many shares are registered by the shareholders participating in the General Meeting.

Shareholders can excercise their right at MOL General Meetings either in person or by nominee. In addition, our company gives the opportunity to represent themselves through a Proxy card in accordance with the Articles of Association. An internet subsite containing materials for the general meeting serves to facilitate participation (https://molgroup.info/en/investor-relations/annual-general-meeting) which contains several information, including a location map, the conditions for participation, the general meeting documents, and the power of attorney templates.

Condition of participation and voting at the General Meeting for shareholders is that the holder of the share(s) shall be registered in the Share Register. The depositary shall be responsible for registering the shareholders in the Share Register pursuant to the instructions of such shareholders in line with the conditions set by the general meeting invitation. According to Article 8.6 of the Articles of Association: „Each shareholder – at the shareholder's identification related to the closing of the share registry prior to the next general meeting –, shall declare whether he, or he and any other shareholder belonging to the same shareholder group as specified in Articles 10.1.1 and 10.1.2 holds at least 2% of the Company's shares, together with the shares regarding which he asks for registration." If the conditions described in the previous sentence are met, the shareholder requesting registration is obliged to declare the composition of the shareholder group taking into account the provisions of Articles 10.1.1 and 10.1.2

Furthermore, the shareholder shall, on the request of the Board of Directors, immediately identify the ultimate beneficial owner with respect to the shares owned by such shareholder. In case the shareholder fails to comply with the above request or in case there is reasonable ground to assume that a shareholder made false representation to the Board of Directors, the shareholder's voting right shall be suspended and shall be prevented from exercising it until full compliance with the above said requirements.

According to Article 10.1.1 of the Articles of Association: „No shareholder or shareholder group (shareholder group defined in Article 10.1.2 of Articles of Association) may exercise more than 10% of the voting rights with the exception of the organization(s) acting at the Company's request as depository or custodian for the Company's shares or securities representing the Company's shares.

9.2 Relationship with the shareholders

The Board is aware of its commitment to represent and promote shareholders' interests, and recognises that it is fully accountable for the performance and activities of the MOL Group. To help ensure that the Company can meet shareholders' expectations in all areas, the Board continually analyses and evaluates developments, both in the broader external environment as well as at an operational level.

MOL has an Investor Relations department which is responsible for the organisation of the above activities as well as for the day-to-day management of MOL's relationship with its shareholders (contact details are provided in the "Shareholder Information" section at the end of the annual report). Extensive information is also made available on MOL's website (https://molgroup.info/en), which has a dedicated section for shareholders and the financial community. MOL has always paid special attention to provide a considerably wide range of information to the capital markets, in line with international best practice. Therefore Investor Relations Department of MOL is continuously renewing its website (direct link at: https://molgroup.info/en/investor-relations). The aim of the development is to make the website even more user-friendly, in line with the intention to continuously improve our services. These enable us to meet the expectations of our shareholders, analysts and other capital market participants more effectively.

In 2021, MOL did not participate on any roadhows due to the difficulties caused by the pandemic, but it organized number of online meetings with potential and current investors. On 24 February 2021, MOL Group held an Online Capital Markets Day where it presented the updated long-term strategy (MOL 2030+). The video recording of the Capital Markets Day and a presentation are available from the following page: https://molgroup.info/en/investor-relations/publications#nav-investor-presentations

10. A BRIEF PRESENTATION OF THE RULES FOR THE CONDUCT OF THE GENERAL MEETING.

Voting rights on the general meeting can be exercised based on the voting rights attached to shares held by the shareholders. Each "A" Series share entitles its holder to one vote. The actual voting power depends on how many shares are registered by the shareholders participating in the general meeting.

Shareholders can excercise their right at MOL General Meetings either in person or by nominee. In addition, our company gives the opportunity to represent themselves through a Proxy card in accordance with the Articles of Association. An internet subsite containing materials for the general meeting serves to facilitate participation (https://molgroup.info/en/investor-relations/annual-general-meeting) which contains several information, including a location map, the conditions for participation, the general meeting documents, and the power of attorney templates.

Condition of participation and voting at the general meeting for shareholders is that the holder of the share(s) shall be registered in the Share Register. The depositary shall be responsible for registering the shareholders in the Share Register pursuant to the instructions of such shareholders in line with the conditions set by the general meeting invitation. According to Article 8.6 of the Articles of Association: „Each shareholder – at the shareholder's identification related to the closing of the share registry prior to the next general meeting –, shall declare whether he, or he and any other shareholder belonging to the same shareholder group as specified in Articles 10.1.1 and 10.1.2 holds at least 2% of the Company's shares, together with the shares regarding which he asks for registration." If the conditions described in the previous sentence are met, the shareholder requesting registration is obliged to declare the composition of the shareholder group taking into account the provisions of Articles 10.1.1 and 10.1.2.

Furthermore, the shareholder shall, on the request of the Board of Directors, immediately identify the ultimate beneficial owner with respect to the shares owned by such shareholder. In case the shareholder fails to comply with the above request or in case there is reasonable ground to assume that a shareholder made false representation to the Board of Directors, the shareholder's voting right shall be suspended and shall be prevented from exercising it until full compliance with the said requirements.

According to Article 10.1.1 of the Articles of Association: „No shareholder or shareholder group (as defined in Article 10.1.2 of Articles of Association) may exercise more than 10% of the voting rights with the exception of the organization(s) acting at the Company's request as depository or custodian for the Company's shares or securities representing the Company's shares (the latter shall be exempted only insofar as the ultimate person or persons exercising the shareholder's rights represented by the shares and securities deposited with them do not fall within the limitations specified here below)."

In accordance with Act V of 2013 on the Civil Code (hereinafter: "Civil Code") the shareholders have the right to participate, to request information and to make remarks and proposals at the general meeting. Shareholders are entitled to vote, if they hold shares with voting rights. The shareholders having at least one per cent of the voting rights may request the Board of Directors to add an item to the agenda of the general meeting. Where a group of shareholders together controlling at least one per cent of the votes in the Company propose certain additions to the agenda in accordance with the provisions on setting the items of the agenda, or table draft resolutions for items included or to be included on the agenda, the matter proposed shall be construed to have been placed on the agenda if such proposal is delivered to the Board of Directors within eight days following the time of publication of notice for the convocation of the general meeting, and the Board of Directors publishes a notice on the amended agenda, and on the draft resolutions tabled by shareholders upon receipt of the proposal. The conditions to participate in the general meeting are published in the invitation to the general meeting. Invitations to the general meeting are published on the company website according to the Articles of Association. The ordinary general meeting is usually held in April, in line with the current regulations.

The ordinary general meeting, based on the proposal of the Board of Directors approved by the Supervisory Board, shall have the authority to determine profit distribution, i.e. the amount of the profit after taxation to be reinvested into the Company and the amount to be paid out as dividends. Based upon the decision of the general meeting, dividend can be paid in a non-cash form as well.

The starting date for the payment of dividends shall be defined by the Board of Directors in such way as to ensure a period of at least 10 working days between the first publication date of such announcement and the initial date of dividend distribution. Only those shareholders are entitled to receive dividend, who are registered in the share register of the Company on the basis of shareholders identification executed on the date defined by the Board of Directors and published in the announcement on the dividend payment. Such date relevant to the dividend payment determined by the Board of Directors may deviate from the date of the general meeting deciding on the payment of dividend.

11. PRESENTATION OF THE ISSUER'S COMPLIANCE WITH SECTION IV. OF ACT 67 OF 2019 ON THE INCENTIVISATION OF LONG-TERM SHAREHOLDER PARTICIPATION AND HARMONIZATION OF PARTICULAR OTHER ACTS (SRD ACT).

The Board of Directors of MOL Plc. on the basis of Section 3:268 (2) of Act V of 2013 on the Civil Code proposed and put on the agenda of the Annual General Meeting convened 30 April 2020 the remuneration policy to an advisory vote. Based on the authorization granted by Section 9 (2) of the Government Decree 102/2020. (IV. 10.) the Board of Directors on behalf of the Annual General Meeting of MOL Plc. adopted by a unanimous decision the Remuneration Policy and according to Section 18 of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes made available free of charge on the homepage of MOL Plc.https://molgroup.info/en/about-mol-group/main-governance-documents.

The Remuneration Policy of the Company has been applied from the 2021 business year in compliance with Section 29 (3) of the SRD act.

The Board of Directors on the basis of Sections 19-22 of the SRD act proposed and put the Remuneration Report on the agenda of the 2022 Annual General Meeting.

12. GOVERNANCE AROUND CLIMATE RELATED RISKS AND CHALLENGES

12.1. Board oversight of climate related issues risks and challenges

The Board of Directors is responsible for defining the main business objectives of the Group as well as to review and approve the Group's business strategy, including the premises and assumptions upon which the strategy was created. MOL Group's long-term transformational strategy was created based on climate related risks and challenges, which means that the Board of Directors (and its committees) consider a wide range of Climate-related risks and challenges as an integral part of its roles and responsibilities, both when it reviews and approves strategy, also when it reviews risk management policies, and business plans as well as setting the organization's performance objectives. Furthermore, the Board and its committees are tasked with monitoring and overseeing progress against goals and targets, including climate related ones. The Board of Directors is informed and continually updated on climate related risks and challenges via regular reporting through various channels. This includes quarterly and yearly reports from senior management on a broad number of issues affected by climate change, including macro trends, legislation, environment, capital markets etc. The Board of Directors took part in the revision of compliance of MOL Group 2030+ Strategy (adopted in February 2021) with the newly introduced EU Fit for 55 regulation. For more information on the strategy of MOL Group and the role of climate change, refer to section 5 of the Integrated Annual Report.

In addition, to the BoD, two committees have been assigned climate-related responsibilities: the Sustainable Development Committee (SDC), and the Finance and Risk Management Committee (FRC). Both committees directly deal with specific climate change related matters. To ensure integrated management of sustainability related issues across the Group, including but not limited to climate change, the SDC monitors and oversees progress against sustainability related goals and targets. At least four times a year, the Group Vice President of Health, Safety & Environment reports to the SDC on progress against sustainability related goals and on climate-related issues, while the Investor Relations & ESG coordination Manager informs this Committee on various emerging sustainability-related issues and trends. Furthermore, impact of climate change related risk and opportunities at Group, divisional, country and site level are reported to the Committee each quarter through a number of deep-dive presentations. The FRC on the other hand is tasked with monitoring, among other things, the financial and operational risks as well as the methodology and management of risks, furthermore the operation of Enterprise Risk Management (ERM) system. Risk assessments are presented to the FRC every year. Climate change is a strategic risk for MOL Group and is part of the Group's ERM system, and therefore reported and presented separately to members of the FRC. More information can be obtained from the section 12.2.

12.2. Management's role in assessing and managing climate risks and challenges

Part of the role and responsibilities of the executive management include assessing and managing climate-related risks and challenges, as well as executing the approved strategy. In terms of organizational structure, responsibility for climate change does not reside in a single department or person. Responsibilities for climate change related matters are dispersed through a wide number of roles across the Group. Several functions at Group level analyze climate change related risks and challenges. These include but are not limited to the Group Strategy (climate change implications on strategy), Chief Economist (sustainability and climate change macro trends), Public and EU Regulatory Affairs (global and regional climate change related legislation), HSE department (analysis and mitigation of environmental risks, tracking environmental performance), and Investor Relations (ESG developments in capital markets). Furthermore, all divisions monitor and assess climate-related risks and challenges as an integral part of their roles and responsibilities in executing and designing their strategies.Executive management is informed and regularly updated on climate related risks and challenges via regular reporting through various channels, from both the before mentioned HQ based Group level functions as well as divisional management.

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 (CGR) 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.

The Recommendations contain both recommendations that are binding for all issuers and non-binding proposals. Issuers may derogate both from binding recommendations and non-binding proposals. In the event of derogation from the recommendations, issuers are required to publish and justify the derogation in their corporate governance reports ('comply or explain'). This enables issuers to take industry and company-specific requirements into account. Accordingly, even issuers derogating from the recommendations can comply with corporate governance requirements under specific circumstances. Concerning the proposals, issuers should indicate whether they apply a given guideline or not, and they can also explain any derogation from the proposals.

The basic principle and purpose of the corporate governance report is to have companies give a report of their previous business year and to reveal the measure of their compliance with the Recommendations. The Recommendations may, however, include recommendations and proposals relating to events which did not occur at the issuer in the given period. In accordance with the current practice, these 'event type' questions can be answered with 'YES' also when the relevant event did not occur in the business year (for instance, no dividend was paid, or no shareholders' comments were received for the proposals to be submitted prior to the General Meeting) if the Company would have responded to the occurrences of such events as set forth in the Recommendations, in line with the provisions of its Articles of Association or its practices. In a situation like that, the solution that comes closest to the principle of transparent operation is for the issuer to select YES and also to add an explanation that though the event in question did not occur in the previous business year, there are appropriate mechanisms in place to handle it.

Level of compliance with the Recommendations

The Company indicates whether it follows the relevant recommendation or not, and if not, briefly explains the reasons why it did not follow that specific recommendation.

1.1.1. Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks?

Yes **No**

Explanation:

1.1.2. Is the Company's Articles of Association available on the Company's website?

Yes **No**

Explanation:

1.1.4. If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents?

Yes **No**

Explanation: Shareholders may exercise their shareholder rights in the General Meeting through a Nominee and may also be represented through Proxy-card, the terms of which shall be published in the general meeting notice on the company's website. According to the Articles of Association of the Company, the participation at the General Meeting via electronic communication devices is not possible.

1.2.1. Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders?

Yes **No**

Explanation:

1.2.2. Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded?

Yes **No**

Explanation:

1.2.3. Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

Yes **No**

Explanation: In accordance with the rules to be applied in extraordinary situations provided for by Gov. Decr. No. 102/2020 (IV.16) with respect to the pandemic, the 2020 Annual General Meeting was held in compliance with the introduced special provisions.

1.2.6. The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting. (Answer Yes, if not)

Yes **No**

Explanation:

1.2.7. For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders?

Yes **No**

Explanation:

1.3.3. The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in accordance with the regulations and its function. (Answer Yes, if not)

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.4. By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange regulations?

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.5. Did the Company publish on its website within 3 working days following the General Meeting the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting, or an official statement explaining why it refrained from giving answers?

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.7. Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or motion relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting?

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.8.1. The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members. (Answer Yes, if not)

Yes **No**

Explanation:

1.3.8.2. For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)?

Yes **No**

Explanation: There was no such event in 2020.

1.3.9. Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?

Yes **No**

Explanation: There was no such event in 2021.

1.3.10. Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting?

Yes **No**

Explanation:

1.6.1.1. Do the Company's publication guidelines cover the procedures for electronic, online disclosure?

Yes **No**

Explanation:

1.6.1.2. Does the Company design its website by considering the aspects of disclosure and the informing of investors ?

Yes **No**

Explanation:

1.6.2.1. Does the Company have an internal publication policy in place which covers the processing of the information listed in Section 1.6.2 of the Recommendations document?

Yes **No**

Explanation:

1.6.2.2. Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication?

Yes **No**

Explanation:

1.6.2.3. Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

Yes **No**

Explanation:

1.6.2.4. Did the Company publish the findings of the efficiency assessment of the publication process?

Yes **No**

Explanation:

1.6.3. Did the Company publish its annual company event calendar?

Yes **No**

Explanation:

1.6.4. Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

Yes **No**

Explanation:

1.6.5. Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website?

Yes **No**

Explanation:

1.6.6. Did the Company publish all relevant information about the work of the Board of Directors / Governing Board and the Supervisory Board, and the management, the assessments of these and the changes in the current year?

Yes **No**

Explanation:

1.6.8. Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management?

Yes **No**

Explanation:

1.6.9.1. Did the Company publish its guidelines relating to the trading of its shares by insiders?

Yes **No**

Explanation:

1.6.9.2. Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company, as well as the extent of their interest under the share-based incentive system in the annual report or in some other way?

Yes **No**

Explanation:

1.6.10. Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company?

Yes **No**

Explanation:

2.1.1. Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board?

Yes **No**

Explanation:

2.2.1. Does the Board of Directors / Governing Board have a rules of procedure in place defining the organisational structure, the actions for arranging and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board?

Yes **No**

Explanation:

2.2.2. Does the Company publish the procedure used for nominating Board of Directors / Governing Board members and the principles for determining their remuneration?

Yes **No**

Explanation:

2.3.1. Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan?

Yes **No**

Explanation:

2.4.1.1. Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

Yes **No**

Explanation:

2.4.1.2. Do the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means?

Yes **No**

Explanation:

2.4.2.1. Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

Yes **No**

Explanation: According to the company's practice, the proposals are available to members 7 days prior to the board meetings. Shorter period can happen only in exceptional cases.

2.4.2.2. Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board?

Yes **No**

Explanation:

2.4.3. Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings?

Yes **No**

Explanation:

2.5.1. Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting?

Yes **No**

Explanation:

2.5.2. Does the composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations?

Yes **No**

Explanation:

2.5.3. Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks to be carried out as members of the respective boards?

Yes **No**

Explanation:

2.6.1. Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

Yes **No**

Explanation:

2.6.2. Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities?

Yes **No**

Explanation:

2.6.3. Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

Yes **No**

Explanation:

2.6.4. The Supervisory Board of the Company does not have any members who has held a position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation?

Yes **<u>No</u>**

<u>Explanation:</u> In 2020 there was only one member of the Supervisory Board, who held any position in the Board of Directors or in the management of the Company in the previous five years.

2.7.1. Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence?

<u>Yes</u> **No**

<u>Explanation:</u>

2.7.2. Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved?

<u>Yes</u> **No**

<u>Explanation:</u>

2.7.3. Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group?

Yes **<u>No</u>**

<u>Explanation:</u> The members of the Board shall make a statement at their election regarding their corporate or management role in a company other than a company belonging to the Group.

According to the Charter of the Board of Directors, the Board of Directors informs the Corporate Governance and Remuneration Committee of the Board of Directors if he or she has received a membership or management membership request from a company not belonging to the Group. The Chairman of the Supervisory Board participates in the meetings of the Board of Directors as a permanent invitee .

According to the Charter of the Supervisory Board, a member of the Supervisory Board informs the Supervisory Board if he or she has received a membership or management membership request from a company not belonging to the group.

2.7.4. Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them?

<u>Yes</u> **No**

<u>Explanation:</u>

2.8.1. Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

<u>Yes</u> **No**

<u>Explanation:</u>

2.8.2. Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

<u>Yes</u> **No**

<u>Explanation:</u>

2.8.3. Did shareholders receive information about the operation of the system of internal controls?

<u>Yes</u> **No**

<u>Explanation:</u>

2.8.4. Does the Company have a function ensuring compliance (compliance function)?

<u>Yes</u> **No**

<u>Explanation:</u>

2.8.5.1. Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company?

Yes **No**

Explanation:

2.8.5.2. Did the relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures?

Yes **No**

Explanation:

2.8.6. With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?

Yes **No**

Explanation:

2.8.7. Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives?

Yes **No**

Explanation:

2.8.8. Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year?

Yes **No**

Explanation:

2.9.2. Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports ?

Yes **No**

Explanation: The financial report was discussed on the meeting of the Finance and Risk Management Committee of the Board of Directors prior to the meeting of the Board of Directors.

Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

1.1.3. Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person?

Yes **No**

Explanation: Shareholders may exercise their shareholder rights in the General Meeting through a Nominee and may also be represented through a shareholder form (Proxy-card), the terms of which shall be published in the general meeting notice on the company's website. Accordintg to the Articles of Association of the Company, the participation at the General Meeting via electronic communication devices is not possible.

1.2.4. Did the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

Yes **No**

Explanation: No such General Meeting took place.

1.2.5. Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results?

Yes **No**

Explanation:

1.3.1.1. Were the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.1.2. In the event the Board of Directors/Governing Board and the Supervisory Board was absent, was it disclosed by the Chairman of the General Meeting before discussion of the agenda began?

Yes **No**

Explanation: Please see the explanation under Point 1.2.3.

1.3.2.1. The Articles of Association of the Company does not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.(Answer Yes, if not)

Yes **No**

Explanation:

1.3.2.2. The Articles of Association of the Company does not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there. (Answer Yes, if not)

Yes **No**

Explanation:

1.3.6. Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?

Yes **No**

Explanation:

1.4.1. In line with Section 1.4.1, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents?

Yes **No**

Explanation: The dividend is paid on the starting day of dividend payment to those shareholders who had provided all the necessary information and documentation. Following this date, dividend is paid monthly to those shareholders providing the necessary documentation.

1.6.11. Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11?

Yes **No**

Explanation:

1.6.12. Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

Yes **No**

Explanation:

2.9.1. Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

Yes **No**

Explanation:

AGENDA ITEM No. 2

Waiver to be granted to the Board of Directors and its members according to Article 12.12. of the Articles of Association

According to Article 12.12 of the Articles of Association the Annual General Meeting shall put on its agenda each year the evaluation of the work of the Board of Directors performed during the previous business year and make a resolution on the waiver (discharge) that may be granted to the Board of Directors.

According to Section 3:117 (1) of the Civil Code, if by granting a waiver the General Meeting acknowledges the Board of Directors' management activities during the previous financial year, the Company may only bring action against the Board of Directors and/or its members on the grounds of breaching management obligations in a claim for damages if the facts and information underlying the waiver proved to be false or incomplete.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting – under Article 12.12 of the Articles of Association – acknowledges the work of the Board of Directors performed during the 2021 business year and grants waiver to the Board of Directors and its members under Article 12.12 of the Articles of Association.

AGENDA ITEM No. 3

The Board of Directors' presentation regarding the acquisition of treasury shares following the ordinary Annual General Meeting of 2021 in accordance with Section 3:223 (4) of the Civil Code. Authorization of the Board of Directors to acquire treasury shares in accordance with Section 3:223 (1) of the Civil Code

I. The Board of Directors' presentation regarding the acquisition of treasury shares following the ordinary Annual General Meeting of 2021 in accordance with Section 3:223 (4) of the Civil Code

On 15 April 2021 the Board of Directors of the Company, acting on behalf of the annual general meeting under the powers of the annual general meeting (hereinafter referred to as the Annual General Meeting of 2021) conferred on it by the Government Decree 502/2020. (XI. 16.) by adopting resolution No. 7. (hereinafter referred to as the Resolution No. 7 of the Annual General Meeting of 2021) granted authorization valid for 18 months to the Board of Directors of the Company to acquire treasury shares.

On 15 April 2021 MOL Plc. ("MOL") directly and indirectly owned 60,404,826 pieces of registered Ordinary „A" Series shares with a par value of HUF 125 and 578 pieces of registered Ordinary „C" Series shares with a par value of HUF 1,001.

Since 15 April 2021 the acquisitions of treasury shares took place as follows:

- On 12 May 2021 MOL Employee Share Ownership Program Organization transferred back to MOL as the founder 294,836 pieces of MOL "A" Series Ordinary shares with a par value of HUF 125 (aggregate nominal value of HUF 36,854,500) based on the withdrawal of its participation rights. The ratio of the acquired shares compared to the share capital was 0.03598%.

- On 18 June 2021, the option rights under the option agreement between MOL and Commerzbank A.G. concluded on 16 June 2020 in respect of 888,250 pieces of shares were physically, and in respect of 9,844,626 pieces of shares were cash settled upon expiry by automatic exercise. As a result, MOL acquired 888,250 "A" Series MOL Ordinary shares with a nominal value of HUF 125 (aggregate nominal value of HUF 111,031,250) upon payment of EUR 5,024,652.60. The ratio of the acquired shares compared to the share capital was 0,10840%.

- On 25 June 2021, the option rights under the option agreement between MOL and ING Bank N.V. concluded on 17 June 2020 in respect of 2,460,040 pieces of shares were physically, and in respect of 36,719,933 pieces of shares were cash settled upon expiry by automatic exercise. As a result, MOL acquired 2,460,040 "A" Series MOL Ordinary shares with a nominal value of HUF 125 (aggregate nominal value of HUF 307,505,000) upon payment of EUR 13,481,266.76. The ratio of the acquired shares compared to the share capital was 0.30021%.

- On 23 September 2021 MOL Employee Share Ownership Program Organization transferred to MOL as the founder 218,546 pieces of MOL "A" Series Ordinary shares with a par value of HUF 125 (aggregate nominal value of HUF 27,318,250) based on the withdrawal of its participation rights. The ratio of the acquired shares compared to the share capital was 0.02667%.

- On 19 January 2022 MOL exercised its call options in relation to 27,574,340 "A" Series MOL Ordinary shares under the share option agreement executed between UniCredit Bank AG and MOL on 14 June 2021. The options were physically settled on 21 January 2022 at the strike price of EUR 6.72764 per one share. As a result, MOL acquired 27,574,340 "A" Series MOL Ordinary shares with a nominal value of HUF 125 (aggregate nominal value of HUF 3,446,792,500) upon payment of EUR 185,510,232.76. The ratio of the acquired shares compared to the share capital was 3.36507%

- On 19 January 2022 MOL exercised its call options in relation to 9,844,626 "A" Series MOL Ordinary shares under the share option agreement executed between Commerzbank AG and MOL on 16 June 2021. The options were physically settled on 21 January 2022 at the strike price of EUR 6.7389 per one share. As a result, MOL acquired 9,844,626 "A" Series MOL Ordinary shares with a nominal value of HUF 125 (aggregate nominal value of HUF

1,230,578,250) upon payment of EUR 66,341,950.15. The ratio of the acquired shares compared to the share capital was 1.20140%

- On 19 January 2022 MOL exercised its call options in relation to 36,719,933 “A” Series MOL Ordinary shares under the share option agreement executed between ING Bank N.V. and MOL on 14 June 2021. The options were physically settled on 21 January 2022 at the strike price of EUR 6.6043 per one share. As a result, MOL acquired 36,719,933 “A” Series MOL Ordinary shares with a nominal value of HUF 125 (aggregate nominal value of HUF 4,589,991,625) opun payment of EUR 242,509,453.51. The ratio of the acquired shares compared to the share capital was 4.48116%

Today MOL directly and indirectly owns 13,127,104 pieces of registered Ordinary “A” Series shares with a par value of HUF 125 and 578 pieces of registered Ordinary “C” Series shares with a par value of HUF 1,001 as a result of the above mentioned acquisition(s) and the disposal of altogether 125,278,293 pieces of “A” Series shares (which have been published) in the meantime.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting acknowledges the Board of Directors’ presentation regarding the acquisition of treasury shares following the ordinary Annual General Meeting of 2021 in accordance with Section 3:223 (4) of the Civil Code.

II. Authorization of the Board of Directors to acquire treasury shares in accordance with Section 3:223 (1) of the Civil Code

The authorization granted by the Resolution No. 7 of the Annual General Meeting of 2021 for the Board of Directors to acquire treasury shares will expire at the end of October 2022. The Board of Directors asks for a new authorization from the General Meeting to acquire treasury shares from the date of the General Meeting until the end of October 2023.

The Board of Directors of MOL would like to maintain the authorization for further share especially for the following reasonsto be able to use treasury shares as acquisition consideration, or

- to be able to exercise certain contractual rights (eg. call options) including but not limited to exercising rights ensured by financial instruments for acquiring treasury shares (eg.: conversion right, exchange right) and perform certain obligations or
- to protect shareholders from the negative effects of a possible share overhang in which case the Company shall be able to acquire a larger block of shares or
- to maintain flexibility for further share capital structure optimization, share cancellation and/or other investments or
- to be able to operate share-based incentive schemes or
- to allot or sale shares to MOL Employee Share Ownership Program Organization or to MOL Special Employee Share Ownership Program Organizations or
- to be able to implement or amend share-based or hybrid financing instruments and other investment structures.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting authorizes the Board of Directors of the Company to acquire treasury shares – simultaneously setting aside Resolution No. 7 of the Annual General Meeting of 2021 – pursuant to the following terms and conditions:

- Mode of acquisition of treasury shares: with or without consideration, either on the stock exchange or through public offer or on the OTC market if not prohibited by legal regulations, including but not limited to acquiring shares by exercising rights ensured by financial instruments for acquiring treasury shares (eg.: call right, exchange right etc.).
- The authorization empowers the Board of Directors to acquire any type of shares issued by the Company with any par value.
- The amount (number) of shares that can be acquired: the total amount of nominal value of treasury shares owned by the Company at any time may not exceed 25 % of the actual share capital of the Company.
- The period of validity of the authorization: from the date of the resolution made by the General Meeting for an 18 months period.

If the acquisition of the treasury shares is in return for a consideration, the minimum amount which can be paid for one piece of share is HUF 1, while the maximum amount cannot exceed 150 % of the highest of the following prices:

a.) the highest price of the deals concluded with MOL shares on the Budapest Stock Exchange (”BÉT”) on the date of the transaction or

b.) the highest daily volume weighted average price of MOL shares on any of the 90 BÉT trading days prior to the date of the transaction or

c.) the volume-weighted average price of MOL shares during 90 BÉT trading days prior to
   (i) the date of signing the agreement for acquiring the treasury shares (particularly purchase agreement, call option agreement or other collateral agreement), or
   (ii) the date of acquisition of financial instruments ensuring rights to acquire treasury shares or

(iii) the date of exercising option rights, pre-emption rights; rights ensured by collateral or by financial instruments for acquiring treasury shares or

d.) the closing price of MOL shares on the BÉT on the trading day which falls immediately prior to

(i) the date of signing the agreement for acquiring the treasury shares (particularly purchase agreement, call option agreement or other collateral agreement), or
(ii) the date of acquisition of financial instruments ensuring rights to acquire treasury shares or
(iii) the date of exercising option rights, preemption rights; rights ensured by collateral or by financial instruments for acquiring treasury shares.

AGENDA ITEM No. 4

Election of member of the Board of Directors

The mandate of Mr. József Molnár as member of the Board of Directors will expire on 31 May 2022.

With respect to the abovementioned, the Board of Directors proposes to the General Meeting to re-elect Mr. József Molnár as member of the Board of Directors of the Company from 1 June 2022 to 31 May 2027.

(The CV can be found following the resolution proposal.)

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution
The General Meeting elects **Mr. József Molnár** as member of the Board of Directors from 1 June 2022 to 31 May 2027.

CURRICULUM VITAE

MOL group positions:

- Group Chief Executive Officer since May 2011
- Member of the Board of Directors since October, 2007
- Member of the Sustainable Development Committee since September 2013
- Member of the Supervisory Board of INA d.d. since April 2010, and Vice Chairman of the same Board since December 2016
- Chairman of the Supervisory Board of FGSZ Zrt. since May 2011

From 1978 to 2001, Mr. Molnár held various management positions at BorsodChem Plc., including Head of the Pricing Department from 1982 to 1987 and Head of the Controlling Department from 1987 to 1991. Between 1991 and 2001, as Chief Financial Officer and first deputy to the Chief Executive Officer, he contributed to the crisis management and reorganisation of the company, and later to creating the Company's vision and fulfilling its subsequent privatisation. He played a key role in the stock exchange listing of BorsodChem shares. He was Chief Executive Officer of TVK between 2001 and 2003, Group Planning & Controlling Director from 2003, and from 2004 until his appointment as Group Chief Executive Officer in May 2011, he was Group Chief Financial Officer of MOL. Within MOL Group, he was a Board member of Slovnaft a. s. between 2004 and 2008, and Board member of TVK between 2001 and 2011.

AGENDA ITEM No. 5

Election of member(s) of the Supervisory Board / Audit Committee

The mandate of Dr. Attila Chikán and Ms. Ilona Dávid as members of the Supervisory Board and the Audit Committee, and the mandate of Mr. Vladimír Kestler as member of the Supervisory Board will expire on 31 May 2022.

Among the employee representative members of the Supervisory Board, the mandates of Ms. Piroska Bognár, Mr. András Tóth, Mr. Tibor István Ördög and Dr. Sándor Puskás will expire at the same time, 31 May 2022. With respect to this, the General Meeting shall elect new employee members to the Supervisory Board.

With respect to the abovementioned, the Board of Directors proposes to the General Meeting to elect Mr. Norbert Izer as member of the Supervisory Board of the Company from 1 June 2022 to 31 May 2027.

(The CV of the candidate can be found following the resolution proposal.)

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution
The General Meeting elects **Mr. Norbert Izer** as member of the Supervisory Board from 1 June 2022 to 31 May 2027.

CURRICULUM VITAE

Norbert Izer

He graduated from the Budapest University of Economics and Public Administration in 2004. In addition to his qualifications as an accountant and tax advisor, he also obtained an international tax degree at the University of Leiden in 2010.
After the Raiffeisen Bank and the Budapest Stock Exchange, he worked as a tax advisor at PwC Magyarország Kft. for 12 years, and in August 2016 he was appointed as Deputy State Secretary for Tax Regulation and Accounting at the Ministry for National Economy. He manages the State Secretariat for Taxation in the Ministry of Finance as of May 2018.

The Board of Directors proposes to the General Meeting to elect Mr. Norbert Izer as member of the Audit Committee from 1 June 2022 to 31 May 2027.

(The CV of the candidate can be found following the resolution proposal.)

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution
The General Meeting elects **Mr. Norbert Izer** as member of the Audit Committee from 1 June 2022 to 31 May 2027.

CURRICULUM VITAE

Norbert Izer

He graduated from the Budapest University of Economics and Public Administration in 2004. In addition to his qualifications as an accountant and tax advisor, he also obtained an international tax degree at the University of Leiden in 2010.
After the Raiffeisen Bank and the Budapest Stock Exchange, he worked as a tax advisor at PwC Magyarország Kft. for 12 years, and in August 2016 he was appointed as Deputy State Secretary for Tax Regulation and Accounting at the Ministry for National Economy. He manages the State Secretariat for Taxation in the Ministry of Finance as of May 2018.

According to Section 3:125 (1) and (2) of the Civil Code, the employee representatives in the supervisory board shall be nominated by the works council from among the employees, taking into consideration the opinion of the trade unions operating at the company. The persons nominated by the works council shall be elected as members of the supervisory board by the general meeting, unless statutory grounds for disqualification exist in respect of the nominees.

The Company's Works Council nominates Dr. Sándor Puskás, Mr. András Tóth, Mr. Bálint Kis and Mr. Kálmán Serfőző employees of the Company, to be elected to the Supervisory Board of the Company.

(The CVs of the candidates can be found after the resolution proposal.)

Based on the nomination of the Works Council, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting elects **Dr. Sándor Puskás, Mr. András Tóth, Mr. Bálint Kis** and **Mr. Kálmán Serfőző** as employee representatives in the Supervisory Board of the Company from 1 June 2022 to 31 May 2027.

CURRICULUM VITAEs

Dr. Sándor Puskás

MOL Group positions:

- Member of the Supervisory Board since 28 April, 2011, delegated by the employees

Dr. Puskás has been employed by MOL as a Petroleum Engineer, M.Sc., since 1985. He is a Petroleum Engineer and currently holds a Chief EOR Engineer position at the MOL Group Oilfield Chemicals and Technology department. He has 37 years of experience as a field production engineer, field production head, research and development engineer, and as an R&D project manager in crude oil production and in related R & D. Dr. Puskás holds a Dipl. Eng. degree in petroleum engineering from Moscow State Gubkin Oil and Gas University and a Dr. Univ. degree in colloid chemistry from the Jozsef Attila University Szeged, Hungary. He holds a postgraduate degree in Research and Development Management and Human management from Budapest University of Economic Sciences and State Administration, Management Development Centre. Between 2005 and 2011, on behalf of MOL Employee Representations, Dr. Puskás was a member and the chairman of the Audit Committee of Tempo Health Fund. He is the author and co-author of several domestic and international technical papers of oil industry. He is member of the Gas and Oil Industry Section of the Hungarian Chamber of Engineers, and the Hungarian Mining and Metallurgical Society, and the Energy Management Scientific Association. He is a member of the MOL-Miners Trade Union.

András Tóth

MOL Group positions:

- Member of the Supervisory Board since 1 June, 2017, delegated by the employees

Mr. Tóth has been employed by MOL and its predecessor as a Chemist-technician, since 1984. During his employment he held various positions at the Danube Refinery Engine Fuel Production organisation in Százhalombatta, Hungary. Currently he is an Operator Training Simulator trainer. He is a shop steward of the MOL Oil Industry Trade Union.

Bálint Kis

Bálint Kis joined MOL and its predecessor, NKFV in 1986 it. He worked in the oil industry for 32 years in various positions at the Orosháza Hydrocarbon Production Plant at MOL's Kardoskút site. As a production foreman, shift foreman and processing master he was involved in the supervision of investments and construction works, in addition to the professional management of operations. He was heavily involved in the development, experimentation and application of some technological systems of underground gas storage. He graduated as a petroleum technician from the Vilmos Zsigmondy Petroleum Engineering Technical College, and via continuous trainings he holds pressure vessel inspector, pressure vessel

operator and construction supervisor II qualifications, too. In addition to oil and gas production, pipeline transportation and distribution of hydrocarbons, operation of process systems, his main areas of expertise are the operation, management and organisation of underground gas storage facilities, planning and operation of hydrocarbon production and process control tasks. Co-author of a publication on the quantitative measurement of solids in gas reservoir well streams.
He is a trade union member and has been a member of MOL Plc. Works Council for several terms, since 2018 he is the Chairman and is the Chairman of the MOL Group European Works Council. He has received several oil industry and mining awards, including the Bronze Medal for the Hungarian Oil Industry, the Outstanding Miner Medal and the Borbála Medal.
He is the Deputy Mayor of Kardoskút since 2018.

Kálmán Serfőző

Kálmán Serfőző joined MOL in 2012. He started working for the MOL Logistics Organisation, and later he worked for the MOL Petrochemicals Co ltd., as well. As a health and safety expert his main task was to support the safe operation of oil facilities. Later on, he worked as a Site Safety Supervisor in MOL's Polyol Project. Currently he works as a Process Safety Expert at MOL Upstream.
He graduated from the National University of Public Service as a Defence Administration Officer, and then got a qualification as an Occupational Safety and Health Specialist at the Budapest University of Technology and Economics. He obtained his university degree at the Faculty of Earth Sciences and Engineering of the University of Miskolc as a Mining and Geotechnical Engineer.
He has been a member of the Works Council of MOL Plc. since 2018, of which he is also the Vice Chairman since 2019. Since 2018, has been the member of the MOL Group European Works Council. He is also a Trade Union member, in 2021 he was elected the Vice-President of the MOL Chemist Trade Union.

AGENDA ITEM No. 6

Advisory vote on the emuneration report of the Company prepared under the provisions of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes.

The Hungarian Parliament passed Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes (hereinafter referred to as the “SRD Act”) in 2019, which implements Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Under the provisions of the SRD Act, public limited liability companies shall annually draw up remuneration report and submit it for advisory vote in the general meeting. The remuneration report shall be clear and understandable, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the most recent financial year to individual directors, including to newly recruited, in accordance with the remuneration policy.

In line with the above, under Section 3:268 (3) of Act V of 2013 on the Civil Code, in public limited companies the remuneration report of the most recent financial year shall be put on the agenda of the general meeting and submitted to an advisory vote.

The remuneration report -as required by the SRD Act - shall contain the following information regarding each individual director’s remuneration:

a) the total remuneration split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the company, and information on how the performance criteria were applied;
b) the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years, presented together in a manner which permits comparison;
c) any remuneration from any undertaking belonging to the same group comprising parent undertaking and all its subsidiary undertakings as defined in Act C of 2000 on Accounting;
d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;
e) information on the use of the possibility to reclaim variable remuneration;
f) information on any deviations from the procedure for the implementation of the Remuneration Policy and on any temporary derogation to the applicable Remuneration Policy applied in accordance with SRD Act including the explanation of the nature of the exceptional circumstances and the indication of the specific elements derogated from.

According to Section 29.§ (4) of the of the SRD Act in the first five years of the approved Remuneration Policy, the Company as a public limited company fulfills its obligation under point b) by applying the provision only to remuneration policies already approved under SRD Act.

The remuneration report shall not include special categories of personal data of individual directors defined in EU General Data Protection Regulation and in Point 3 Section 3 of Act CXII of 2011 on the right to informational self-determination and on the freedom of information or personal data which refer to the family situation of individual directors.

After the General Meeting the Company makes the remuneration report publicly available on their website, free of charge, for a period of 10 years.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting on the basis of Section 3:268 (3) of Act V of 2013 on the Civil Code, approves the remuneration report prepared under the provisions of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes.

REMUNERATION REPORT OF
MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

about business year 2021

Content

1. INTRODUCTION

MOL Group demonstrated a strong financial year for 2021, achieving a solid Group Clean CCS EBITDA of 3.53 bn USD (which is 62% more than the target 2.18 bn USD defined by the Board of Directors, and 72% higher than last year's achievement) in a highly volatile and uncertain business environment during heavily impacted year of COVID-19.

The Chief Executive Committee pursues the Strategy2030+ announced in early 2021 with the main targets described in section Management Discussion and Analysis 3.2 Corporate strategy of the Annual Report.

The Board of Directors of MOL Plc. on the basis of Section 3:268 (2) of Act V of 2013 on the Civil Code proposed and to put on the agenda of the Annual General Meeting convened 30 April 2020 the remuneration policy to an advisory vote. Based on the authorization granted by Section 9 (2) of the Government Decree 102/2020. (IV. 10.) the Board of Directors on behalf of the Annual General Meeting of MOL Plc. adopted by a unanimous decision the Remuneration Policy and according to Section 18 of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes (SRD act) made available free of charge on the homepage of MOL Plc. The Remuneration Policy of the Company has been applied from the 2021 business year in compliance with Section 29 (3) of the SRD act.

The Remuneration Policy can be downloaded here. The ultimate aim of the Remuneration Policy is to reward and incentivise the delivery of outstanding results and appropriately align the interests of senior management with those of our shareholders. The main pillars of the Remuneration Policy ensure that the appropriate incentives are in place for the company to deliver outstanding financial and operational results as well as address and respond to longer structural term challenges in line with MOL's 2030+ strategy.

This Remuneration Report presents the application of the Remuneration Policy for the directors for the financial year 2021 and will be submitted for voting to the Annual General Meeting in April 2022. The following is a detailed description of the remuneration elements as applied in the financial year 2021.

2. BOARD OF DIRECTORS (BOD)

2.1. Members of the BoD

During year 2021:

Members of the BoD	Function	Period
Dr. György Bacsa	Member of the BoD, Group Strategic Operations and Corporate Development EVP	12/23/2021 – 12/31/2021
Dr. Sándor Csányi	Deputy Chairman of the BoD, Chairman of Corporate Governance and Remuneration Committee	01/01/2021 – 12/31/2021
Zsolt Tamás Hernádi	Chairman of the BoD, Chairman – Chief Executive Officer	01/01/2021 – 12/31/2021
Zsigmond Járai	Member of the BoD, Chairman of the Finance and Risk Management Committee	01/01/2021 – 12/31/2021
Dr. Martin Roman	Member of the BoD	01/01/2021 – 12/31/2021
Dr. János Martonyi	Member of the BoD	01/01/2021 – 12/31/2021
József Molnár	Member of the BoD, Group – Chief Executive Officer	01/01/2021 – 12/31/2021
Dr. László Parragh	Member of the BoD, Chairman of the Sustainable Development Committee	01/01/2021 – 12/31/2021
Anthony Radev	Member of the BoD	01/01/2021 – 12/31/2021
Talal Hamid Said Al-Awfi	Member of the BoD	01/01/2021 – 12/31/2021
JUDr. Oszkár Világi	Member of the BoD, Deputy Chief Executive Officer	01/01/2021 – 12/31/2021

2.2. Main features of the remuneration elements of BoD members

Compensation element	Description	Link to strategy and long-term performance
Fee	The members of the Board of Directors are entitled to the following fixed net remuneration after each Annual General Meeting: • Members of the Board of Directors **25,000 EUR/year** • Chairmen of the Committees **31,250 EUR/year**	Provide a fixed remuneration reflecting the roles and responsibilities of the function as supreme decision making body of managing the company. Not subject to automatic adjustment in line with consumer price trends.
Reimbursement	Members of the Board of Directors who are not Hungarian citizens and do not have a permanent address in Hungary are provided with gross **1,500 EUR** for each Board or Committee meeting (maximum 15 times a year) when they travel to Hungary.	The benefits provided to BoD members are in line with those offered for MOL Plc. top management to care for their health, safety, and comfort to be most effective in their job. The applied benefits are aligned with market practices in Hungary, as well supporting them with basics in case international background to be able to smoothly manage their duties.
Fringe benefits	• Personal insurances: travel insurance, life- and accident insurance • Health and wellbeing benefits: private, full managerial screening and outpatient care, exclusive inpatient care Travel insurance and inpatient care covers close relatives of the member of Board of Directors as well.	
Benefits related to international mobility	• Tax advisory • Immigration services	
Share-based remuneration	Share entitlement: • in case of the members of the Board of Directors: **1,200 pieces** of series „A" MOL ordinary shares with a nominal value of HUF 125 per month • in case of the chairman of the Board of Directors: additional **400 pieces** of series „A" MOL ordinary shares with a nominal value of HUF 125 per month. If the Chairman is not a non-executive director, the deputy chairman (who is non-executive) is entitled to this extra remuneration (400 pieces/month). The share allowance is provided once a year, within 30 days after the Annual General Meeting closing the given business year. BoD members are requested to retain their shares credited on their securities account according to the following rules: • 1/3 of the shares – no retention obligation • 2/3 of the shares – 1 year retention obligation The retention obligation terminates at the date of the expiration of the mandate.	Ensure the interest in long-term stock price growth and to maintain motivation related to the dividend payment. Besides, foster an equity culture by linking payout to share performance.
Cash allowance	The incentive based on share allowance is a net incentive, which means that the Company ensures to pay the taxes, contributions and other payables incurred upon acquisition of the shares in line with the relevant and effective laws. Such cash-based coverage of taxes and contributions does not include any further tax(es) or cost(s) incurred in relation to exercising rights attached to the shares or disposal of the shares (e.g. dividend tax, income tax); these shall be borne by the respective members of the Board of Directors. In line with this, there is a further cash allowance part of the incentive system, the rate of which is the gross value of taxes, contributions and other payables incurred upon acquisition of the shares in line with the relevant and effective laws, including also the tax difference and contributions incurring in the country of tax-residence in case of non-Hungarian members of the Board of Directors.	Ensure the interest in long-term stock price growth and to maintain motivation related to the dividend payment. Besides, foster an equity culture by linking payout to share performance.

Pension coverage is provided by the public Hungarian pension contribution system, the employer does not pay pension contributions.

2.3. BoD members' remuneration

For each member of the BoD, the following overview shows the total remuneration awarded in 2021 financial year (entitlements) based on the remuneration elements listed in 2.2. The remuneration elements for BoD members who are Executive employees are displayed under Section 4.

Annual gross values in HUF

Name	Fixed remuneration				Variable remuneration		Total remuneration	Proportion of fixed / variable elements
	Fee	Reimbursement	Fringe benefits	Benefits related to international mobility	Share based remuneration	Cash allowance		
Dr. Sándor Csányi	16,847,744	-	841,691	-	40,492,800	20,398,629	78,580,864	23% / 77%
Zsigmond Járai	16,847,744	-	841,691	-	30,369,600	15,298,971	63,358,006	28% / 72%
Dr. Martin Roman	13,478,195	1,075,560	841,691	-	30,369,600	15,298,971	61,064,017	25% / 75%
Dr. János Martonyi	13,478,195	-	841,691	-	30,369,600	15,298,971	59,988,457	24% / 76%
Dr. László Parragh	16,847,744	-	841,691	-	30,369,600	15,298,971	63,358,006	28% / 72%
Anthony Radev	13,478,195	-	841,691	-	30,369,600	15,298,971	59,988,457	24% / 76%
Talal Hamid Said Al-Awfi	13,478,195	537,780	841,691	-	30,369,600	15,298,971	60,526,237	25% / 75%

The displayed EUR-HUF exchange is the 2021 annual average regarding the fee, and the average MOL share price of December 2021 regarding the share based remuneration, both payable in 2022.

In case of fringe benefits and benefits related to international mobility, the cost of the provided services paid by the company to the respective providers for benefits is displayed with the EUR-HUF exchange rate of average 2021 where necessary.

In 2021, there were no extraordinary payments awarded to any of the BoD members which were not stipulated in the Remuneration Policy.

2.4. Development of the remuneration of BoD members and link with company performance and employee remuneration

The following table provides an overview of the development of total remuneration of BoD members and compares this with the development of the economic success of the Company and the development of the average remuneration of the Company's non-executive employees during 2021.

Each year, there might be appointments and terminations of BoD members, thus remuneration level cannot be compared from one year to another appropriately, as there might be time-proportionate payouts. Besides, ad-hoc payouts such as benefits related to international mobility may vary in line with the number of attendance and fee of benefit service providers may also vary year to year.

From 2020 to 2021, there was no change in the remuneration elements and policies applied for the BoD members. The 1.5% decrease of the awarded remuneration for the BoD members is mainly due to the applied EUR/HUF exchange rate and the applied MOL share price.

The employee gross annual remuneration increased with a ~3.8% mostly due to the salary increase that was managed even in beginning of 2021 COVID-19 impacted period which increased the other elements such as bonuses and allowances.

	MOL Group EBITDA growth	Average gross annual remuneration per employee[1] - % growth	Average gross annual awarded remuneration[2] per BoD member - % growth
from 2020 to 2021*	72%	3.8%	-1.5%

**Based on Act LXVII of 2019. 29 § (4) the Company fulfils its obligation under Section 19 (2) (b) by applying the provision only to remuneration policies already adopted under this Act.*

[1]Average annual gross remuneration per employee represents fixed (such as regular salary, allowances etc.) and variable incomes, bonuses as well as other benefits in kind elements, one-off awards which are stated in Collective Agreement and internal regulations. Headcount was calculated as average closing number of headcount for each month in the specific year.

[2]The remuneration of BoD members represents also all fixed and variable parts of compensation awarded in respective period. Average of the average individual remuneration changes are displayed.

2.5. Additional information

BoD members are not entitled to short-term incentives or any other type of long term incentives than mentioned above. Furthermore, there is no clawback provision applied, which means MOL is not requesting the return of the share-based remuneration in any case. Retention obligation described in section 2.2.

3. SUPERVISORY BOARD (SB)

3.1. Members of the SB

During year 2021:

Members of the SB	Function	Period
Zoltán Sándor Áldott	Chairman of the Supervisory Board	01/01/2021 – 12/31/2021
Piroska Bognár	Member of the SB, Employee representative	01/01/2021 – 12/31/2021.
Dr. Attila Chikán	Member of the SB, Chairman of the Audit Committee	01/01/2021 – 12/31/2021
Ilona Dávid	Member of the SB	01/01/2021 – 12/31/2021
Dr. Lajos Dorkota	Member of the SB	07/01/2021 – 12/31/2021
Péter Kaderják	Member of the SB	05/01/2021 – 12/31/2021
Vladimír Kestler	Member of the SB	01/01/2021 – 12/31/2021
András Lánczi	Member of the SB	01/01/2021 – 12/31/2021
Ivan Miklos	Member of the SB	01/01/2021 – 12/31/2021
Márton István Nagy	Member of the SB	05/01/2021 – 12/31/2021
Tibor István Ördög	Member of the SB, Employee representative	01/01/2021 – 12/31/2021
Dr. Anett Pandurics	Member of the SB	01/01/2021 – 12/31/2021
Dr. Sándor Puskás	Member of the SB, Employee representative	01/01/2021 – 12/31/2021
Csaba Szabó	Member of the SB, Employee representative	01/01/2021 – 12/31/2021
András Tóth	Member of the SB, Employee representative	01/01/2021 – 12/31/2021

3.2. Main features of the remuneration elements of SB members

Compensation element	Description	Link to strategy and performance
Fee	Members of the Supervisory Board receive **gross EUR 4,000/month**, while the Chairman of the Supervisory Board receives **gross EUR 6,000/month**. In addition to this monthly fee, the Chairman of the Supervisory Board is entitled to receive **gross EUR 1,500** for participating in each Board of Directors or Board Committee meeting, up to 15 times per annum. The Chairman of the Audit Committee is entitled to receive gross EUR 1,500 for participating in each Board Committee meeting, up to 15 times per annum. Besides the monthly remuneration both the Chairman and the members of the Supervisory Board are entitled to receive further **EUR 1,500** for each extraordinary Supervisory Board meeting that is held in addition to the scheduled annual meetings. This remuneration is provided maximum two times a year.	Provide a fixed remuneration reflecting the roles and responsibilities of the function as supreme body of managing the company. Not subject to automatic adjustment in line with consumer price trends.
Fringe benefits	• Personal insurances: travel insurance, life- and accident insurance • Health and wellbeing benefits: private, full managerial screening and outpatient care, exclusive inpatient care Travel insurance and inpatient care covers close relatives of SB members as well.	The benefits provided to SB members are in line with those offered for MOL Plc. top management to care for their health, safety, and comfort to be most effective in their job. The applied benefits are aligned with market practices in Hungary, as well supporting them with basics in case international background to be able to smoothly manage their duties.
Benefits related to international mobility	• Tax advisory • Immigration services	

There is no variable pay applied for SB members.

Pension coverage is provided by the public Hungarian pension contribution system, the employer does not pay pension contributions.

3.3. SB members' remuneration

For each member of the SB, the following overview shows total remuneration awarded in 2021 financial year (entitlements) based on the remuneration elements listed in 3.2.

Other (employee) remuneration of the SB members who are Employee representatives are not displayed, as they have employee job roles as such they are scope of the employee remuneration scheme, which is not scope of Annual General Meeting voting. They are also signing off 75% of their remuneration as SB members each year.

Annual gross values in HUF

Name	Fixed remuneration			Total remuneration	Proportion of fixed / variable elements
	Fee	Fringe benefits	Benefits related to international mobility		
Zoltán Sándor Áldott	32,851,350	841,691	-	33,693,041	100% / 0%
Piroska Bognár	4,307,850	841,691	-	5,149,541	100% / 0%
Dr. Attila Chikán	22,626,060	841,691	-	23,467,751	100% / 0%
Ilona Dávid	17,231,400	841,691	-	18,073,091	100% / 0%
Dr. Lajos Dorkota	8,626,880	493,309	-	9,120,189	100% / 0%
Péter Kaderják	11,456,560	609,437	-	12,065,997	100% / 0%
Vladimír Kestler	17,174,280	727,795	-	17,902,075	100% / 0%
András Lánczi	17,231,400	841,691	-	18,073,091	100% / 0%
Ivan Miklos	17,174,280	727,795	-	17,902,075	100% / 0%
Márton István Nagy	11,417,157	609,437	-	12,026,594	100% / 0%
Tibor István Ördög	4,307,850	841,691	-	5,149,541	100% / 0%
Dr. Anett Pandurics	17,231,400	841,691	-	18,073,091	100% / 0%
Dr. Sándor Puskás	4,307,850	841,691	-	5,149,541	100% / 0%
Csaba Szabó	4,307,850	841,691	-	5,149,541	100% / 0%
András Tóth	4,307,850	841,691	-	5,149,541	100% / 0%

Payout of the fix fee managed in each month in 2021 as per section 3.2., displayed with applied EUR-HUF exchange rate valid on the 15th of each month before the payroll, as all elements were paid during 2021.

In case of fringe benefits and benefits related to international mobility, the cost of the provided services paid by the company to the respective providers for benefits is displayed with the 2021 average EUR-HUF exchange rate where necessary.

3.4. Development of the SB members remuneration and link with company performance and employee remuneration

The following table provides an overview of the total remuneration of SB members and compares this with the development of the economic success of the Company and the development of the average remuneration of the Company's non-executive employees during 2021.

Each year, there might be appointments and terminations of SB members, remuneration level cannot be compared from one year to another, as there might be time-proportionate payouts. Besides, ad-hoc payouts such as benefits related to international mobility may vary in line with the number of attendance and fee of benefit service providers may also vary year to year.

From 2020 to 2021, there was no change in the remuneration elements and policies applied for the SB members, however the level of awarded remuneration has increased. This 3% increase in the awarded remuneration is due to the increase of the applied EUR-HUF exchange rate regarding these payouts.

	MOL Group EBITDA growth	Average gross annual remuneration per employee[1] - % growth	Average gross annual remuneration[2] per SB member - % growth
from 2020 to 2021*	72%	3.8%	3%

**Based on Act LXVII of 2019. 29 § (4) the Company fulfils its obligation under Section 19 (2) (b) by applying the provision only to remuneration policies already adopted under this Act.*

[1]Average annual gross remuneration per employee represents fixed (such as regular salary, allowances etc.) and variable incomes, bonuses as well as other benefits in kind elements, one-off awards which are stated in Collective Agreement and internal regulations. Headcount was calculated as average closing number of headcount for each month in the specific year.

[2]The remuneration of SB members represents also all fixed and variable parts of compensation awarded in respective period. Average of the average individual remuneration changes are displayed.

4. REMUNERATION OF THE EMPLOYEE MEMBERS OF BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICERS EMPLOYED BY MOL PLC. AND THE DEPUTY CHIEF EXECUTIVE OFFICERS

The following functions belong to this Section (hereinafter referred to collectively also as “Executive employees”):

- Chairman – Chief Executive Officer (C-CEO)
- Group – Chief Executive Officer (G-CEO)
- Group – Deputy Chief Executive Officer (D-CEO), formerly Group Chief Innovation Officer (G-CIO)
- Group – Chief Financial Officer (G-CFO)
- Group Strategic Operations and Corporate Development EVP (GSOD EVP)

4.1. Executive employees employed by MOL Plc.

Executive employees	Function	In scope of the report since
Dr. György Bacsa	Group Strategic Operations and Corporate Development EVP (GSOD EVP)	12/23/2021
Zsolt Tamás Hernádi	Chairman – Chief Executive Officer (C-CEO)	01/01/2021
József Molnár	Group – Chief Executive Officer (G-CEO)	01/01/2021
József Farkas Simola	Group – Chief Financial Officer (G-CFO)	01/01/2021
JUDr. Oszkár Világi	Deputy Chief Executive Officer (D-CEO) formerly Group Chief Innovation Officer (G-CIO)	01/01/2021

4.2. Main features of the Executive employees’ remuneration elements

Compensation element	Description	Link to strategy and performance
Base salary	Salary levels take into account the responsibilities, complexity of the job and performance of each executive employee. Salaries are set to remain competitive on the Hungarian labour market, compared with companies with similar profile.	Provides a fixed level of income reflecting the complexity of the roles, responsibilities and performance of the executive employees, and maintain a competitive level of salary for retention reasons.
Fringe benefits	• Personal insurances: travel insurance, life- and accident insurance • Health and wellbeing benefits: private, full managerial screening and outpatient care, exclusive inpatient care • Status car (business and private usage) Travel insurance and inpatient care covers close relatives of the executive employees as well.	The benefits provided to Executive employees are in line with those offered for MOL Plc. top management to care for their health, safety, and comfort to be most effective in their job. The applied benefits are aligned with market practices in Hungary, as well supporting them with basics in case international background to be able to smoothly manage their duties.
Benefits related to international mobility	• Support of housing, shipment services • International health insurance • Tax advisory services • Immigration services, settling-in allowance • Home leave allowance • Schooling/kindergarten/nursery allowance • Tax reimbursement These benefits might be provided to close relatives of the Executive employees employed by MOL Plc. as well.	
Short-term incentive	Annual short-term incentive is provided to Executive employees, as the given ratio of their base salary. The incentive includes key focus areas in a mix of financial and non-financial KPIs in order to achieve the targets of MOL Group and MOL Plc.	Motivates the participants to achieve annual operative, business and individual performance targets supporting MOL Group and MOL Plc. long-term strategy.
Long-term incentive	The long-term incentives is provided to the top management of MOL Group in order to strengthen long-term retention, motivation and ownership mindset along with improving the financial performance and efficiency of MOL Group in line with corporate principles and long term strategic objectives.	Promotes performance driven culture on a longer term and enhances that the the top management team is aligned with the interests of shareholders.

4.3. Executive employees' remuneration

For each Executive employee, the following overview shows the total remuneration considered as awarded, therefore paid in 2021 financial year based on the remuneration elements listed in 4.2.

ZSOLT TAMÁS HERNÁDI

As Executive employee:

			Remuneration paid in 2021	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Base salary		156,000,000 HUF	
	Fringe benefits		841,691 HUF	
	Benefits related to international mobility		-	
Performance related remuneration	Short-term incentive / MRP Short-term Share Ownership Program	2019 program (paid in 2021) - 80% MRP STI	33,104 shares	103,346,900 HUF
		2020 program (paid in 2021) - 50% cash bonus		54,086,800 HUF
	Relative Market Index Based Remuneration	2018-2020 program (paid in 2021)	3,330 shares	7,389,270 HUF
		Total remuneration:	**321,664,661 HUF**	
		Proportion of fix / variable:	**49%**	**51%**

As member of Board of Directors:

			Awarded (entitlement for 2021 performance year)	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Fee		13,478,195 HUF	
	Reimbursement		-	
	Fringe benefits		-	
	Benefits related to international mobility		-	
Performance related remuneration	Share based remuneration		14,400 shares	30,369,600 HUF
	Cash allowance		15,298,971 HUF	
		Total remuneration:	**59,146,767 HUF**	
		Proportion of fix / variable:	**23%**	**77%**

Grand total:	**380,811,428 HUF**

See footnotes below.

JÓZSEF MOLNÁR

As Executive employee:

			Remuneration paid in 2021	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Base salary		108,000,000 HUF	
	Fringe benefits		737,290 HUF	
	Benefits related to international mobility		-	
Performance related remuneration	Short-term incentive / MRP Short-term Share Ownership Program	2019 program (paid in 2021) – 100% MRP STI	28,648 shares	89,434,800 HUF
	Relative Market Index Based Remuneration	2018-2020 program (paid in 2021)	1,909 shares	4,236,071 HUF
		Total remuneration:	**202,408,161 HUF**	
		Proportion of fix / variable:	**54%**	**46%**

As member of Board of Directors:

			Awarded (entitlement for 2021 performance year)	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Fee		10,544,706 HUF	
	Reimbursement		-	
	Fringe benefits		-	
	Benefits related to international mobility		-	
Performance related remuneration	Share based remuneration		14,400 shares	30,369,600 HUF
	Cash allowance		5,359,341 HUF	
		Total remuneration:	**46,273,647 HUF**	
		Proportion of fix / variable:	**23%**	**77%**

Grand total:	**248,681,808 HUF**

See footnotes below.

JUDR. OSZKÁR VILÁGI

As Executive employee, from MOL Plc.:			Remuneration paid in 2021	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Base salary		95,214,209 HUF	
	Fringe benefits		727,799 HUF	
	Benefits related to international mobility		36,464,416 HUF	
	Short-term incentive	2020 program (paid in 2021) – cash bonus	57,466,422 HUF	
	Relative Market Index Based Remuneration	2018-2020 program (paid in 2021)	2,979,653 HUF	
		Total remuneration:	**192,852,499 HUF**	
		Proportion of fix / variable:	**69%**	**31%**

As member of Board of Directors:			Awarded (entitlement for 2021 performance year)	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Fee		11,065,432 HUF	
	Reimbursement		-	
	Fringe benefits		-	
	Benefits related to international mobility		-	
Performance related remuneration	Share based remuneration		14,400 shares	30,369,600 HUF
	Cash allowance		7,123,733 HUF	
		Total remuneration:	**48,558,765 HUF**	
		Proportion of fix / variable:	**23%**	**77%**

				Remuneration paid in 2021	
As CEO, from Slovnaft a.s.:				**Entitlement**	**In cash equivalent**
Non-performance related fixed remuneration	Base salary			29,204,971 HUF	
	Fringe benefits			4,523,895 HUF	
	Benefits related to international mobility			36,138,816 HUF	
	Other elements			78,871 HUF	
	Short-term incentive	2020 program (paid in 2021) – cash bonus		14,058,473 HUF[13]	
			Total remuneration:	**84,005,026 HUF**	
			Proportion of fix / variable:	**84%**	**16%**

Grand total:	**325,416,290 HUF**

JUDr Világi Oszkár's Slovnaft paid remuneration is in alignment with respective Collective Agreement and employment contract. Fringe benefits cover pension fund contribution, cafeteria, status car and housing allowance. Other elements cover loyalty bonus.

JUDr. Oszkár Világi receives his remuneration from Slovnaft a.s. in EUR, the EUR-HUF exchange rate used for the values indicated in the table above is the 2021 annual average.

See footnotes below.

JÓZSEF FARKAS SIMOLA

As Executive employee:

			Remuneration paid in 2021	
			Entitlement	**In cash equivalent**
Non-performance related fixed remuneration	Base salary		69,100,000 HUF	
	Fringe benefits		841,691 HUF	
	Benefits related to international mobility		-	
Performance related remuneration	Short-term incentive / MRP Short-term Share Ownership Program	2019 program (paid in 2021) – 100% MRP STI	16,947 shares	52,907,400 HUF
	Relative Market Index Based Remuneration	2018-2020 program (paid in 2021)	1,086 shares	2,409,834 HUF
		Total remuneration:	**125,258,925 HUF**	
		Proportion of fix / variable:	**55%**	**45%**

Grand total:	**125,258,925HUF**

See footnotes below.

DR. GYÖRGY BACSA

As Executive employee:

		Remuneration paid in 2021	
		Entitlement	In cash equivalent
Non-performance related fixed remuneration	Base salary	1,304,348 HUF	
	Fringe benefits	21,869 HUF	
	Benefits related to international mobility	-	
	Total remuneration:	**1,326,217 HUF**	
	Proportion of fix / variable:	**-**	

As member of Board of Directors:

		Awarded (entitlement for 2021 performance year)	
		Entitlement	In cash equivalent
Non-performance related fixed remuneration	Fee	332,339 HUF	
	Reimbursement	-	
	Fringe benefits	-	
	Benefits related to international mobility	-	
Performance related remuneration	Share based remuneration	355 shares	748,839 HUF
	Cash allowance	377,235 HUF	
	Total remuneration:	**1,458,413 HUF**	
	Proportion of fix / variable:	**23%**	**77%**

Grand total:	**2,784,630 HUF**

In case of Dr. György Bacsa, proportionate amount was awarded in 2021 as BoD member, as his BoD membership started on 23.12.2021. According to the Remuneration Policy, remuneration for his BoD membership will be paid out in May 2022 for the period between 23 December and 31 December 2021. Dr. György Bacsa is under the scope of the Remuneration Policy since 12.23.2021 as executive employee, therefore only those days of paid payments are displayed for him, other remuneration elements are awarded and paid (such as short and long term incentives) for him as non-director, therefore not displayed here. See further footnotes below.

Footnotes:

Displayed remuneration elements are gross values.

Fringe benefits, benefits related to international mobility: cost of the provided services paid by the company to the respective providers for benefits referred in Section 4.2., applied EUR-HUF exchange rate average 2021 where necessary. Executive employees are entitled to status car private usage as well.

Executive employees who are also BoD members entitled for benefits and benefits related to international mobility after one of their positions, hence values of these elements are displayed only once.

In case of Short-term incentive, the remuneration approved and paid in 2021 is displayed, after entitlements for year 2019 and 2020.

The 2018-2020 Relative Market Index Based Remuneration was paid out in May 2021. The comparative share price index was 4.11%. Forint values of cash equivalents are displayed at the average exchange rate valid on the date of the share transfer.

In 2021, there were no extraordinary payments awarded to any of the executive employees which were not stipulated in the Remuneration policy.
Executive Employees employed by MOL Plc. receive no other remuneration for their positions or memberships in affiliated companies of MOL Group, only JUDr. Oszkár Világi, displayed.

4.4. Overview of Executive employees remuneration elements and their link to company strategy

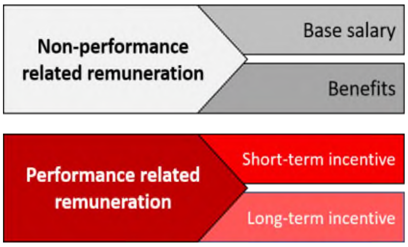
The Executive employees' remuneration mix consists of four key pillars:

Non-performance related elements:

- **Annual Base Salary (BS):** annual amount of the fixed monthly salary
- **Benefits**: Contribute to the employee health and wellbeing to be most effective in their jobs

Performance-related elements:

- **Short-Term Incentive (STI):** annual bonus, based on target achievement
- **Long-Term Incentive (LTI):** promotes performance driven culture on a longer term and enhances the focus on the top management team to be aligned with the interests of shareholders



4.4.1. Non-performance related remuneration

Base salary

The base salary of the executive employees is a fix, monthly payment guaranteed by the employment contract, which reflects the job grade (Hay grade) and the skills and experience level. The employment contracts stipulate payment of the base salary in 12 payments per year.

Benefits

Executive employees receive benefits as followings:

- Status car for business and private usage
- Personal insurances:
  - Life & accident insurance
  - Travel insurance valid for private trips as well, valid also for jointly travelling family members
- Health and wellbeing benefits:
  - yearly annual managerial screening and full outpatient care at a private health centre
  - VIP service for hospitalization, valid for registered family members as well
- Basic health coverage is provided as well under the Hungarian public social security system, covered by the contributions deducted from the gross salary of all employees.
- Pension coverage is provided by the public Hungarian pension contribution system, the employer does not pay pension contributions.

Executive employees with non-Hungarian permanent residency are entitled for the following benefits:

- Support of housing
- International health insurance
- Shipment services
- Tax advisory services
- Immigration services
- Home leave allowance
- Schooling/kindergarten/nursery allowance
- Settling-in allowance
- Tax reimbursement scheme ensures that the employee has to bear solely the Hungarian tax obligations. All other foreign tax liabilities which may arise on the employment income received from MOL Plc. is covered by the company.

These benefits might be provided to close relatives of the Executive employees as well.

4.4.2. Performance related remuneration

Long-term shareholder interests are reflected in performance-related remuneration, which includes both short- and long-term incentives.

4.4.2.1. Details on the 2021 Short-term incentive (annual bonus)

Description of the short-term incentive (STI)

Aim of the incentive: The aim of MOL Group STI scheme is to motivate the participants to achieve operative, business and individual performance targets which can be reached within a year, and support MOL Group's long term strategy. In 2021, the Chief Executive Committee's (CEC, covering the C-CEO, G-CEO and D-CEO) and Management Committee's (MC, covering the G-CFO and the GSOD EVP) short-term incentive framework was designed to include key focus areas in a mix of financial and non-financial KPIs in order to achieve the targets of MOL Group.

Structure of the incentive:

- for CEC members (C-CEO, G-CEO, D-CEO): final short-term incentive payout is defined by the individual target achievement, multiplied by the corporate factor
- for MC members (G-CFO, GSOD EVP): final short-term incentive payout is defined by the individual target achievement, multiplied by the corporate factor and divisional factor of Group Finance organization in case of G-CFO, while for the Group Strategy and Organizational Development organization in case of the GSOD EVP

Annual base salary	X	Annual target bonus	X	Corporate Factor	X	Divisional Factor	=	Cash bonus

The rate of the short-term incentive is the given ratio of the base salary of the Executive employees, which is defined by the Hay grade of the given job. The final payment is determined in line with the evaluation of performance of the given manager.

Function	Annual target bonus rate
C-CEO	100%
G-CEO	100%
D-CEO	85%
G-CFO	85%
GSOD EVP	85%

Performance criteria of the annual short-term incentive

The short-term incentive framework was designed to include key focus areas in a mix of financial and non-financial KPIs in order to achieve the targets of MOL Group and MOL Plc. The choice of the performance measures reflects a desire from the Corporate Governance and Remuneration Committee to assess the participants based on a broad range of corporate and divisional measures that mirrors the corporate strategy and its related KPIs.

Financial KPIs: Executive employees' focus is to deliver the MOL Group level EBITDA (which is also the MOL Group corporate target) and other relevant financial indicators defined annually by Group Financial Planning & Reporting. Other relevant financial targets may contain efficiency, investment and cost-related indicators. In 2021, the key focus of the Chief Executives' Committee members was to deliver the EBITDA and free cash-flow targets to achieve the 2030 strategic targets of MOL Group.

Non-financial KPIs: Safety is a number one Group priority, which is why the Corporate Governance and Remuneration Committee consistently defines divisional SD&HSE (Sustainable Development and Health, Safety and Environment) related performance indicators. Hence in 2021, MOL Group set the fulfillment of Total Recordable Injury Rate (TRIR) as this shows the commitment for conducting safe, sustainable and compliant operations at all times.

For CEC members, individual targets were set:

- to further implement the MOL Group 2030 Strategy and form strategic vision for 2050
- focus on and support increasing employee engagement, to ensure making MOL Group the best choice of employees along with collaborative culture and employee experience, diversity and inclusion and driving talent management throughout the organisation.
- drive further enhancement of the new operational model, reflecting COVID-19 and post-COVID changed market conditions.
- efficient execution of supervisory activities by encouraging constant revision and simplification of governance structure and processes.

- promote life saving rules across MOL Group
- further enhance sustainability aspects of MOL Group operations.

For MC members individual targets were set:

- to increase efficiency,
- implement cost optimizing projects, to realize their division's business strategy, e.g.: strategic portfolio management, decarbonization projects, digitalization projects.

The applied performance indicators reflect the intention of the Corporate Governance and Remuneration Committee to assess the participants based on a broad range of corporate and divisional measures.

Measurement & validation of the performance metrics: CEC members' (C-CEO, G-CEO, D-CEO)annual performance is evaluated by the Corporate Governance and Remuneration Committee with final approval of the Board of Directors. The performance of the G-CFO and GSOD EVP is evaluated by CEC with the prior approval of the Corporate Governance and Remuneration Committee. Target achievement of financial KPIs is based on the evaluation of the Financial Planning & Reporting organization.

Executive employees have no deferral period or any clawback provision regarding their short-term incentive.

MRP Short-term Share Ownership Program

The Executive employees employed by MOL Plc. can select a share ownership scheme (with their defined % of their short-term incentive) in each year, which will be operated via a legal entity independent from MOL Plc., called MOL Plc. Employee Share Ownership Program Organization which in compliance with the provisions of the so-called Employee Share Ownership Program (Munkavállalói Résztulajdonosi Program, 'MRP') legislation.

Program characteristics:

- Joining the program is voluntary.
- The basis of the entitlement is a certain number of shares equal to the short-term incentive entitlement converted to shares with the volume-weighted average of daily MOL Plc. share price of December before the target year. Final payout is based on the overall performance evaluation, consisting of the Corporate, Divisional and Individual payout rates.
- The pre-requisite of paying out the remuneration in shares from MRP is that the MOL Plc. share price at the end of the performance period (the volume-weighted average of daily MOL Plc. share price of December of the 2nd year of the performance period) shall be higher than the volume-weighted average of daily MOL Nyrt. Share Price of December before the year of the performance period.
  - If the above pre-requisite is met: payout of the remuneration will happen in shares
  - If the above pre-requisite is not met: no payout from MRP, but the original short- term incentive will be paid in cash

Share price pre-requisites related to these programs:

Program	Share price condition
2019 MRP STI program	3,122 HUF (2018 December average MOL share price)
2020 MRP STI program	2,883 HUF (2019 December average MOL share price)
2021 MRP STI program	2,109 HUF (2020 December average MOL share price)

The share price pre-requisite for paying the bonus from 2019 MRP Short-term Share Ownership Program was not met, therefore the bonus was paid in cash in 2021, as per section 4.3. Payout of the 2020 program is due in 2022. The 2021 MRP Short-Term Share Ownership Program initial entitlements - based on participation in the voluntary program - are the followings:

ZSOLT TAMÁS HERNÁDI

Program	Base entitlement	Date of possible payout
2021	73,969 shares	2023

JÓZSEF MOLNÁR

He did not participate in the 2021 MRP Short-Term Share Ownership Program as he has chosen 100% cash bonus, which will be awarded and paid out in 2022.

JUDR. OSZKÁR VILÁGI

Based on the respective MRP Remuneration Policies, he was not entitled to the MRP Short-term Share Ownership Program, but entitled to the regular short-term incentive (cash bonus).

JÓZSEF FARKAS SIMOLA

Program	Base entitlement	Date of possible payout
2021	27,856 shares	2023

DR. GYÖRGY BACSA

Dr. György Bacsa is under the scope of the Remuneration Policy since 12.23.2021, therefore remuneration elements are awarded (such as short and long-term incentives) for him as non-director not displayed here.

Final entitlement of the 2021 MRP Short-Term Share Ownership Program is based on the Company's 2021 performance (MOL Group EBITDA) - which will be approved by the 2022 Annual General Meeting together with the financial report -, and on the individual performance, which will be determined after that. Further pre-requisite of MRP payment are valid employment until the end of the vesting period and that the share price exchange rate is higher than the initial share price at the end of the period.

4.4.2.2. Details on the 2021 Long-term incentive

Restricted Share Plan (RSP) - as of 1 January 2021

Aim of the incentive: The purpose of the long-term incentive system is to enhance individual performance to enable future growth of MOL Plc. and MOL Group financial performance and improvement of efficiency by taking into account shareholder interests. As such, both corporate and individual performance is reflected in the incentive.

Structure of the incentive: The Restricted Share Plan is a share-based incentive based on the quantitative/ measurable performance of MOL Group, the individual performance of the manager and the MOL Plc. share price. A new program starts in each year on a rolling scheme with a 3-year performance period. Payments are due in 4th year according to the section below.

Performance criteria & determination of the payout:

- Corporate performance (MOL Group EBITDA) of year1 is taken into account in the final payout
- Individual performance of year1 is taken into account in the final payout
- Final payout is corrected with dividend equivalent after year1 and year2 to represent a real shareholder position
- The pre-requisite of paying out the Remuneration from MRP is that the MOL Plc. share price at the end of the 3-year performance period (the volume-weighted average of daily MOL Nyrt. share price of December of the 3rd year of the performance period) shall be higher than the volume-weighted average of daily MOL Nyrt. share price of December before the year of the performance period.
- The 2021 RSP is managed and paid out in either in shares through MRP program or in cash incentive in line with the provisions set in internal policies in accordance with personal scope: MRP program is managed only for Hungarian tax residents according to the provisions of the MRP Remuneration Policy. In case of cash-settlement the remuneration will be paid in the currency of the payment relevant to the respective Employee.

RSP tranches

The first Restricted Share Plan program started in January 2021 with a 3-year performance period. Payments are due in 4th year, in May 2024. Base entitlements of the program:

	Program	Base entitlement	Date of possible payout
Zsolt Tamás Hernádi	2021-2023	120,000 shares	May 2024
József Molnár	2021-2023	68,800 shares	May 2024
JUDr. Oszkár Világi	2021-2023	48,000 shares	May 2024
József Farkas Simola	2021-2023	35,200 shares	May 2024

Dr. György Bacsa is under the scope of the Remuneration Policy since 12.23.2021, therefore remuneration elements are awarded (such as short and long-term incentives) for him as non-director not displayed here.

Final entitlement is based on the Company's performance (MOL Group EBIDTA) in the first year - which is approved by the Annual General Meeting after the first year, together with the financial report - , and on the individual performance, which is determined after that. Further condition is the time spent in employment until the end of the three-year performance period, at the end of the period.

Long-term incentive till 2020

MOL Plc. long-term incentive scheme consisted of two Plans with the following main characteristics.

Absolute Share Value Based Remuneration

Aim of the incentive: The purpose of Absolute Share Value Based Remuneration is to enhance the absolute share price of MOL Plc. and MOL Group as a primary shareholder interest. Individual performance is also reflected in the incentive.

Structure of the incentive: The remuneration can be realized as a difference between a past strike price and a selected spot price.

Performance criteria & determination of the payout:

- It starts annually and covers a 4-year period. The incentive period can be split into a 1-year individual performance, and a 3-year company performance period.
- During the first two years, the manager cannot access the remuneration. From the third year of the program, the manager can access the remuneration by selecting a redemption date.
- The value of the incentive is the difference between the starting (strike) price and a selected spot price for each unit of the entitlement.
- The starting (strike) price is defined before the performance period begins. The starting (strike) price is the volume-weighted average of the daily MOL Plc. share price of the last quarter of the year before the performance period.
- The selected spot price is the daily average share price of MOL Plc. shares on the day of redemption. The trading day is freely selected by the Executive Employee however it is limited by applicable insider trading prohibitions.
- The share entitlement is defined based on the position grade, but the final share entitlement is based on the individual performance evaluation during the performance period. During the individual performance evaluation, an individual payout percentage (between 0% and 150%) is set which acts as a multiplier of the share entitlement.
- The payment of the final entitlement is in shares or their cash equivalent in line with the provisions set in internal policies in accordance with personal scope: MRP program is managed for Hungarian tax residents. The value of the remuneration will be converted to shares based on the 20 trading days average MOL share price preceding the redemption date. In case of cash-settlement the remuneration will be paid in the currency of the payment relevant to the respective Employee.
- Dividend equivalent: the final remuneration will be corrected with the value of the dividend per share paid for MOL Plc. shares in the vesting period after the individual performance period, in alignment with the share entitlement. The aim of the correction is to correct the long-term incentive with the change of the share price caused by the dividend payment. The dividend equivalent is paid at the redemption.
- The final share entitlement is influenced also by the individual payout percentage for the performance period:

Individual Payout %	Share number entitlement for the Absolute Share Value Based Remuneration
0%	0%
Between 1% and 149%	Based on individual bonus payout rate
150%	150%

Active programs:

Plan/Year	Starting price	Redemption from	Redemption to
2018 plan	3,107 HUF	01.01.2020	31.12.2021
2019 plan	3,052 HUF	01.01.2021	31.12.2022
2020 plan	2,918 HUF	01.01.2022	31.12.2023

Active tranches of these incentives are still payable for the Executive employees with their original timings, they can be redeemed if the MOL share price is higher than the starting price. Payments for the given year are displayed in this Remuneration report, however in 2021 no redemption was made from this incentive. The 2018 incentive expired at the end of 2021 and there was no payout from this program in 2021.

II. Relative Market Index Based Remuneration

The program is a 3-year share-based incentive based on MOL Plc. shares relative performance with the following characteristics:

- A new program starts in each year on a rolling scheme with a 3-year vesting period. Payments are due after the 3rd year.
- The target is the development of MOL's share price compared to relevant and acknowledged CEE regional and industry specific indices.
- Basis of the evaluation is the average difference in MOL's year-on-year (12 months) share price performance in comparison to the benchmark indices. Comparisons are made on a USD basis. There are defined payout ratios which are based on the measured difference in MOL's share price performance compared to the two indices, one representing share price performance of the CEE region, one representing share price performance of the emerging market oil and gas companies, noticed in each year. Final payout ratio is determined by the average of the three years' payout ratios over the performance period.
- The expected payout amount is additionally linked to individual short-term performance to establish a link between short-term and long-term performance as well.
- The payment of the final entitlement is in shares or their cash equivalent in line with the provisions set in internal policies in accordance with personal scope: MRP program is managed only for Hungarian tax residents according to the provisions of the MRP Remuneration Policy. In case of cash-settlement the remuneration will be paid in the currency of the payment relevant to the respective Employee.

During the selection of the two benchmark indices, relevant regional and industry specific companies were considered to be incorporated to reflect that MOL competes for investors on a regional basis (Central and Eastern Europe) as well as in the global emerging market Oil & Gas sector. By applying these two indices as reference points, it is ensured that MOL Plc.'s incentive system is based on relevant and strategic long-term targets.

Program period	Company performance - comparative share price index			Final payout ratio
	y1	*y2*	*y3*	
2018-2020	12.33%	0%	0%	4.11%
2019-2021	0%	0%	0%	0%
2020-2022	0%	0%	*not available yet*	*not available yet*

In 2021, the 2018-2020 Relative Market Index Based Remuneration was paid out. Based on the comparative share price index, the final payout ratio was 4.11%. Payments for 2021 are displayed in section 4.3.

The performance indicator for the 2019-2021 program is 0% for all three performance years, so no payment will happen based on this program. Final entitlements of the 2020-2022 program will be determined at the beginning of 2023, initial entitlements are the followings:

ZSOLT TAMÁS HERNÁDI

Program period	Initial entitlement	Date of possible payout
2019-2021	*no payout due to 0% company factor*	
2020-2022	20,000 shares per year	May 2023

JÓZSEF MOLNÁR

Program period	Initial entitlement	Date of possible payout
2019-2021	*no payout due to 0% company factor*	
2020-2022	11,467 shares per year	May 2023

JUDR. OSZKÁR VILÁGI

Program period	Initial entitlement	Date of possible payout
2019-2021	*no payout due to 0% company factor*	
2020-2022	8,000 shares per year	May 2023

JÓZSEF FARKAS SIMOLA

Program period	Initial entitlement	Date of possible payout
2019-2021	*no payout due to 0% company factor*	
2020-2022	5,867 shares per year	May 2023

DR. GYÖRGY BACSA

Dr. György Bacsa is under the scope of the Remuneration Policy since 12.23.2021, therefore remuneration elements are awarded (such as short and long term incentives) for him as non-director not displayed here.

Clawback provisions

Executive employees employed by MOL Plc. have no clawback provision regarding their short and long-term incentives.

4.5. Development of the total paid remuneration of Executive employees and link with company performance and employee remuneration

The following table provides an overview of the total remuneration of Executive employees employed by MOL Plc. and compares this with the development of the economic success of the Company and the development of the average remuneration of the Company's non-executive employees and Executive employees during 2021.

The remuneration paid for Executive employees decreased from 2020 to 2021. This 12% decrease in the paid remuneration is due to the decreasing possibility to redeem the Absolute Share Based Remuneration and the lower payout level of the Relative Share Based Remuneration.

	MOL Group EBITDA growth	Average gross annual remuneration per employee[1] - % growth	Average gross annual remuneration per executive[2] - % growth
from 2020 to 2021*	72%	3.8%	-12%

**Based on Act LXVII of 2019. 29 § (4) the Company fulfils its obligation under Section 19 (2) (b) by applying the provision only to remuneration policies already adopted under this Act.*

[1]Average annual gross remuneration per employee represents both fixed (such as regular salary, allowances etc.) and variable incomes, bonuses as well as other benefits in kind elements, one-off awards which are stated in Collective Agreement and internal regulations). Headcount was calculated as average closing number of headcount for each month in the specific year.

[2]The remuneration of Executive employees represents also all fixed and variable parts of compensation paid in the respective period. Average of the average individual remuneration changes are displayed.

5. PUBLICATION OF THE REPORT

The Company makes this Remuneration Report publicly available on its website free of charge for a period of ten years following the voting of the Annual General Meeting of 28 April 2022.

AGENDA ITEM No.7.

Advisory vote on the amended remuneration policy of the Company prepared under the provisions of Act LXVII of 2019 on Encouraging Long-Term Shareholder Engagement and amendments of further regulations for harmonization purposes

1. With regards to the fact that the Extraordinary General Meeting held on 22 December 2021 appointed a new member of the Board of Directors effective from 23 December 2021 who is also a director with employment relationship in MOL Plc., therefore the Board of Directors approved the respective minor, technical amendments of the Remuneration Policy, i.e. the Policy has been extended with the the new BoD member's position (GSOD EVP). There was no material amendment with respect to the remuneration system.

The amended provisions of the Remuneration Policy effective from 23 December 2021:

- Title of Article IV. has been amended
- Point 1.1. of Article IV: List of executive employees employed by MOL Plc. has been extended with GSOD EVP.
- Point 4.5. of Article IV: description of the short-term incentive payout method has been extended with the relevant factor for GSOD EVP.
- Point 7. of Article IV: proportion of the remuneration elements table has been extended with GSOD EVP (and a change regarding GCFO based on a base-salary modification).
- Point 1.5. of Artcile V: , GSOD EVP has been added to the Table of approval
- The term 'Executive Employees' has been changed for 'executive employees employed by MOL Plc.' in the whole text of the Remuneration Policy.

2. Technical modifications of Article VI. (Final provisions) aim to make the provisions regarding he approval, amendment and publication of the Remuneration Policy more unambiguous and transparent.

Based on the above, the Board of Directors submits to the General Meeting the following resolution proposal:

Proposed resolution

The General Meeting, on the basis of Section 3:268 (2) of Act V of 2013 on the Civil Code, approves the amended Remuneration Policy of MOL Plc.

REMUNERATION POLICY OF MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

PREAMBLE

The aim of the remuneration rules set in current Remuneration Policy is:

- to develop a set of rules and principles to govern and implement the remuneration of members of bodies of the public shareholding company, in order to provide a clear and comprehensible overview of the remuneration rules that contribute to the business strategy, long-term interest and sustainability of the public shareholding company;
- to provide a comprehensive overview about the components of the remuneration of members of bodies of the public shareholding company and their proportion, based on defined factors and indicators, as well as to maintain transparency and accountability of the members of bodies of the public shareholding company;
- to serve the long-term interests and sustainability of the public shareholding company, in order to ensure its viability on the regulated market;
- to engage and maintain simple access to remuneration rules for the shareholders of the public shareholding company, and that potential investors and stakeholders are properly informed about the remuneration rules of members of company bodies;
- to provide a clear, understandable and structured overview of the set of remuneration rules of the members of company bodies;
- to motivate shareholders in exercising their rights actively on the long term, regarding the remuneration rules;
- to maintain the transparency of the remuneration processes and enhance the relations between the public company and its investors.

Shareholders within their rights are entitled to assess the adequacy of the remuneration rules of members of the bodies of public shareholding company, and to express their opinion about the remuneration rules of members of bodies, their standards, and about the link between remuneration and performance of individual members of the body of a public shareholding company.

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as: 'the **Company 'or 'MOL**' in accordance with ***Act LXVII of 2019 on encouragement of long-term shareholder engagement and on amendment of certain acts for the purpose of legal harmonisation*** (hereinafter referred to as: the **Remuneration Act**) and in accordance with the above purpose, adopts the following principles and rules of remuneration of the Directors of MOL Plc.

ARTICLE I

General provisions

1. The remuneration rules for members of bodies of the public shareholding company MOL Plc. are to lay down the basic principles and conditions of remuneration, including the amount of remuneration and the method of providing compensation to the members of company bodies that according to the relevant provisions of Chapter IV. of the Remuneration Act.

2. Members of bodies shall mean the following in the Remuneration Act and in these remuneration rules (hereinafter referred to collectively also as the “Directors“):
   - Member of the Board of Directors of MOL Plc.
   - Member of the Supervisory Board of MOL Plc.
   - Chief executive officer(s) and if such function exists in MOL Plc., the deputy chief executive officer(s) if they are not members of the Board of Directors or the Supervisory Board of MOL Plc.

3. Unless otherwise explicitly stated in this remuneration policy, a member of the Board of Directors shall mean a member of the Board of Directors of MOL Plc., as well as the Chairman of the Board of Directors of MOL Plc., and also the Vice-Chairman of the Board of Directors of MOL Plc.

4. Unless otherwise explicitly stated in this remuneration policy, a member of the Supervisory Board shall mean a member of the Supervisory Board of MOL Plc., as well as the Chairman of the Supervisory Board of MOL Plc., and also the Vice-Chairman of the Supervisory Board of MOL Plc.

5. According to the provisions of Sections 16-18 of the Remuneration Act, the Company shall lay down remuneration rules and the remuneration policy shall be submitted to the General Meeting of the Company for advisory voting. Further details are set out in the Remuneration Act, Hungarian Civil Code, relevant generally binding legal regulations and internal bylaws of the Company.

6. The aim of MOL Plc.’s remuneration system is to provide competitive remuneration package for the Directors and employees to carry out the company’s strategy, as remuneration plays an important role in supporting the achievement of these goals. Through the design of its incentive schemes, MOL aims to ensure that executive remuneration supports the company’s strategic objectives within a framework that closely aligns the interests of Directors to those of the shareholders.
   The key principles of MOL Plc.’s remuneration strategy are followings:
   - Internal fairness in our remuneration plans and levels throughout the Company
   - Labour market competitiveness
   - Pay for company and individual performance that supports MOL Plc.’s short-term objectives and long-term strategy
   - Balanced pay mix of fix and performance related short-term and long-term remuneration elements

ARTICLE II

Conditions of remuneration of a member of the board of directors

1. Basic Principles

1.1 The Board of Directors is the supreme management body of MOL Plc. which manages the Company´s business activity and acts on its behalf. The Board of Directors shall have the power to make all decisions related to managing the Company, excluding those decisions which can only be made exclusively by the General Meeting or other corporate body pursuant to laws or the Articles of Association.

1.2. In accordance with these remuneration rules, the remuneration to the members of the Board of Directors of MOL Plc. for the performance of their function as a member of the Board of Directors of MOL Plc. (or for the performance of their function as Chairman of the Board of Directors or as Vice-Chairman of the Board of Directors) and for the performance of their activities for the benefit of the Company is based on engagement relationship in accordance with Section 3:112 of the Civil Code

1.3. Entitlement to remuneration or to its proportionate part pertains to a member of the Board of Director from the starting date of their function and ceases on the date of termination of the function, regardless of the nature of the reason of ceasing the mandate.

1.4. The remuneration of members of the Board of Directors (including remuneration of the Chairman and the Vice-Chairman of the Board of Directors) consists of fix and share-based components.

1.5 The acceptance of the remuneration and its modification falls to the exclusive competency of the General Meeting of MOL Plc.

2. Fixed component

2.1 The members of the Board of Directors are entitled to the following fixed net remuneration after each Annual General Meeting:

- Members of the Board of Directors 25,000 EUR/year
- Chairmen of the Committees[1] 31,250 EUR/year

2.2 Members of the Board of Directors who are not Hungarian citizens and do not have a permanent address in Hungary are provided with gross 1,500 EUR for each time they travel to Hungary in order to attend Board or Committee meeting (maximum 15 times a year).

2.3 The amount of remuneration of the members of the Board of Directors is paid as per internal bylaws managed by the Human Resources organization as process owner.

3. Share based incentive

As a variable component, the aim of the share based incentive is to ensure the interest in long-term stock price growth and to maintain motivation related to the dividend payment. To ensure these, a 1-year retention obligation (restraint on alienation) is determined for 2/3 of the shares (the retention obligation terminates at the date of the expiration of the mandate).

The incentive consists of two parts: share allowance and cash allowance related thereto.

3.1 Share allowance

Share entitlement:

[1] Committees in Article II. refer to the Committees of the Board of Directors

- in case of the members of the Board of Directors: 1,200 pieces of series „A" MOL ordinary shares with a nominal value of HUF 125 per month
- in case of the chairman of the Board of Directors: additional 400 pieces of series „A" MOL ordinary shares with a nominal value of HUF 125 per month.

If the Chairman is not a non-executive director, the deputy chairman (who is non-executive) is entitled to this extra remuneration (400 pieces/month).

The share allowance is provided once a year, within 30 days after the Annual General Meeting closing the given business year.

3.2 Cash allowance

The incentive based on share allowance is a net incentive, which means that the Company ensures to pay the taxes, contributions and other payables incurred upon acquisition of the shares in line with the relevant and effective laws. Such cash-based coverage of taxes and contributions does not include any further tax(es) or cost(s) incurred in relation to exercising rights attached to the shares or disposal of the shares (e.g. dividend tax, income tax); these shall be borne by the respective members of the Board of Directors.

In line with this, there is a further cash allowance part of the incentive system, the rate of which is the gross value of taxes, contributions and other payables incurred upon acquisition of the shares in line with the relevant and effective laws, including also the tax difference and contributions incurring in the country of tax-residence in case of non-Hungarian members of the Board of Directors.

4. The proportional share of individual components

The proportional share of remuneration of the Chairman and member of the Board of Directors for the performance of their function is determined as follows**:**

Function	**Fixed component**	**Share allowance (+related cash allowance)**
Chairman of the Board of Directors (in case of Non-Executive)	12%	88%
Chairman of the Board of Directors (in case of Executive)	15%	85%
Member of the Board of Directors	15%	85%
Member of the Board of Directors and as well Chairman of Committee	18%	82%

The proportion might be influenced by the number of BoD and Committee meetings and the member's attandance on them, the share price of MOL and the applicable EUR/HUF exchange rate at the date of payment. Actual tax and contribution liabilites might also influence the proportion.

5. Other benefits provided to the members of the Board of Directors

5.1 Personal insurances

5.2 Health and wellbeing benefits

5.3 Tax advisory

5.4 Immigration services

Benefits in 5.1. – 5.2 points might be provided to close relatives of the member of Board of Directors as well.

6. Optional long-term share-based self-financed investment scheme

In case Special Employee Share Ownership Program('SESOP') is being set up by initiation of employees and in case the Company provides support for the program, the support is provided along the same rules regarding directors, in case they decide to enter.

7. Term of membership of Board of Directors and applicable notice periods

7.1. The General Meeting elects the members of the Board of Directors for a maximum term of 5 years.

7.2. Cases of cessation of the membership of the Board of Directors are regulated by the provisions of the Civil Code and the Articles of Associations of MOL Plc. In case of revocation of a member of the Board of Directors by the General Meeting, the membership of the Board of Directors ceases in accordance with the respective General Meeting resolution. In case of resignation of a member of the Board of Directors, if so required by any vital interest of the Company the resignation shall only take effect upon the delegation or election of a new member of the Board of Directors or failing this on the sixtieth day after the announcement thereof.

8. Description of the basic characteristics of the supplementary pension scheme or the rights related to early retirement

Directors are not entitled to any form of retirement benefit or allowance in connection with early retirement.

9. Conditions for cessation of the membership of Board of Directors and payments related to cessation

A member of the Board of Directors is not entitled to any form of financial compensation that may directly or indirectly relate to the cessation of the membership of the Board of Directors, in particular shall not be entitled to severance pay, remuneration or other form of financial performance that may be causally related to cessation of being a member of the Board of Directors.

10. Description of remuneration of those members of the Board of Directors who are employed in MOL Plc.

Members of the Board of Directors who are employed in MOL Plc., besides their membership of Board of Directors, are entitled for remuneration regarding their employment relationship which is detailed in Article IV.

ARTICLE III

Conditions of remuneration of a member of the supervisory board

1. General Provisions

1.1 The Supervisory Board of the Company oversees the performance of the Board of Directors, the execution of the resolutions and decisions of the General Meeting and the Company´s business activities.

1.2 In accordance with these remuneration rules, remuneration is provided to a member of the Supervisory Board of MOL Plc. for the performance of his function as a member of the Supervisory Board of MOL Plc. (or as a Chairman of the Supervisory Board or a Vice-Chairman of the Supervisory Board) and for the performance of their activities for the benefit of the Company is based on engagement relationship in accordance with Section 3:112 of the Civil Code.

1.3 Entitlement to remuneration or to its proportionate part pertains to a member of the Supervisory Board from the starting date of membership and ceases on the date of termination of the membership, to the performance of which the remuneration is linked to, regardless of the nature of the reason of such termination of function.

1.4 The structure of remuneration of members of the Supervisory Board (including remuneration of the Chairman) is set out as a single component and consists solely of one fixed component of remuneration for the performance of mandate within the competence of that body of the Company.

1.5 The acceptance of the remuneration of the members of Supervisory Board and its modification falls to the exclusive competency of the General Meeting of MOL Plc.

2. Fixed component of the total remuneration

2.1 The fixed component of the total remuneration of a member of the Supervisory Board is determined per calendar month as follows:

Members of the Supervisory Board receive gross 4,000 EUR/month, while the Chairman receives gross 6,000 EUR/month. In addition to this monthly fee, the Chairman of the Supervisory Board is entitled to receive gross 1,500 EUR for participation in each Board of Directors or Board Committee meeting, up to fifteen (15) times per annum. The Chairman of the Audit Committee is entitled to receive gross 1,500 EUR for participation in each Board Committee meeting, up to fifteen (15) times per annum.

Besides the monthly remuneration both the Chairman of the Supervisory Board and the members are entitled to receive further 1,500 EUR for each extraordinary meeting that is held in addition to the scheduled annual meetings. This remuneration is provided maximum two times a year.

3. Variable component of the total remuneration

3.1 MOL Plc. does not allow and does not grant any direct or indirect form of variable remuneration to the members of the Supervisory Board.

4. Description of any allowances and other benefits in any form that may be provided to the members of the Supervisory Board

4.1 Personal insurance

4.2 Health and wellbeing benefits

4.3 Tax advisory

4.4 Immigration services

Benefits in 4.1 – 4.2 points might be provided to close relatives of the member of Supervisory Board as well.

5. Optional long-term self-financed share-based investment scheme

In case Special Employee Share Ownership Program ('SESOP') is being set up by initiation of employees and in case the Company provides support for the program, the support is provided along the same rules regarding directors, in case they decide to enter.

6. Term of membership of Supervisory Board and applicable notice periods

6.1. The General Meeting of the company elects the members of the Supervisory Board for a maximum term of 5 years.

6.2. Cases of cessation of the membership of the Supervisory Board are regulated by the provisions of the Civil Code and the Articles of Associations of MOL Plc. In case of revocation of a member of the Supervisory Board by the General Meeting, the membership of the Supervisory Board ceases in accordance with the respective General Meeting resolution. In case of resignation of a member of the Supervisory Board, if so required by any vital interest of the Company, the resignation shall only take effect upon the delegation or election of a new member of the Supervisory Board, or failing this on the sixtieth day after the announcement thereof.

6.3. Employees' representative member of the Supervisory Board who shall be revoked by the General Meeting in accordance with the proposal of the Works Council. Membership of Employees' representative member of the Supervisory Board ceases with the cessation of their employment relationship.

7. Description of the basic characteristics of the supplementary pension scheme or the rights related to early retirement

A member of the Supervisory Board is not entitled to any form of retirement benefit or allowance in connection with early retirement.

8. Conditions for cessation of the membership of Supervisory Board and payments related to cessation

A member of the Supervisory Board is not entitled to any form of financial compensation that may directly or indirectly relate to the cessation of the membership of the Supervisory Board, in particular shall not be entitled to severance pay, remuneration or other form of financial performance that may be causally related to cessation of being a member of the Supervisory Board.

ARTICLE IV

Remuneration of the members of board of directors~~ and~~*,* chief executive ~~officer~~*officers* employed by MOL Plc. and the deputy chief executive officers

1. Employment conditions

1.1 The following functions shall be named under Article IV (hereinafter referred to collectively also as "Executive ~~Employees"):~~*employees employed by MOL Plc."):*

- Chairman – Chief Executive Officer (C-CEO)
- Group – Chief Executive Officer (G-CEO)
- Deputy Chief Executive Officer (D-CEO)
- Group – Chief Financial Officer (G-CFO)
- *Group Strategic Operations and Corporate Development EVP (GSOD EVP)*

1.2 Executive ~~Employees~~*employees employed by MOL Plc.* have indefinite term of employee contracts.

1.3 The period of notice applicable in the employment contract of Executive ~~Employees~~*employees employed by MOL Plc.* is in accordance with the relevant provisions of the Hungarian Labour Code.

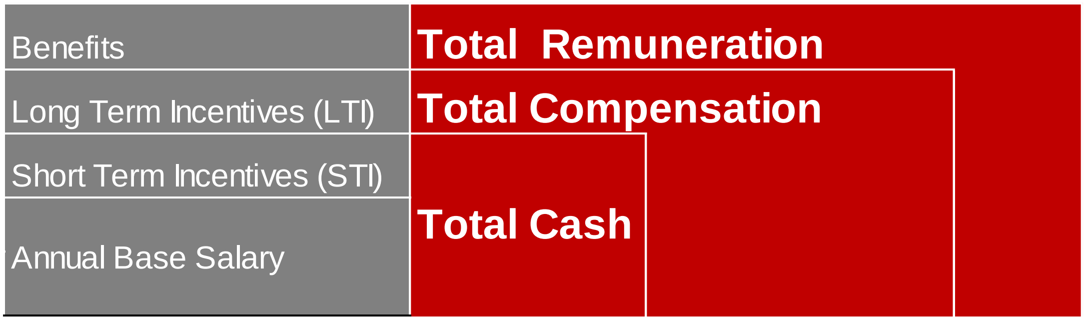
1.4 Besides the applicable notice period, in addition to the severance payment in accordance with legislation, in certain cases of termination specified in their employment contracts, the Executive ~~Employees~~*employees employed by MOL Plc.* are entitled to individually defined payments, which shall not exceed 12 months' full-time equivalent absence fee.

2. Remuneration strategy

2.1 MOL Plc. as a MOL Group company applies the international Total Remuneration Principles when structuring the compensation elements as these provide opportunity to recognize performance and competencies.

2.2 The Total Remuneration Matrix lists the major elements of remuneration structure of MOL Plc.:

TOTAL REMUNERATION MATRIX



2.3 The Executive ~~Employees'~~*employees employed by MOL Plc.'* remuneration mix consists of four key pillars:

- Annual Base Salary (BS): annual amount of the fixed monthly salary
- Short-Term Incentive (STI): annual bonus, based on target achievement
- Long-Term Incentive (LTI): promotes performance driven culture on a longer term and enhances the focus on the top management team to be aligned with the interests of shareholders
- Benefits: Contribute to the employee health and wellbeing to be most effective in their jobs

2.4 Positions are linked to internal grades that are based on HAY levels. These internal grades form the basis of the remuneration structure. The base of the job evaluation is the international HAY methodology.

2.5. The HAY categories of jobs and grade shall be defined by trained HR experts. Three factors are examined during job evaluation: know-how, problem solving and accountability.

2.6 Total Cash ranges are linked to each HAY grade. Pay scale is defined and regularly revised on country level and defines target Total Cash payment for each grade. Base salaries are defined based on this.

3. Annual Base Salary

3.1 Base salary is a fix, monthly payment guaranteed by the employment contract, which reflects the job grade (Hay grade) and the skills and experience level.

3.2 Base salaries are revised on a regular basis, with the strategic aim to remain competitive on the labour market. Base salary increase for the Executive ~~Employees~~*employees employed by MOL Plc.* depends on their performance and their comparatio.

4. Short Term Incentive system

4.1 The aim of MOL Group and MOL Plc. short-term incentive scheme is to motivate the participants to achieve annual operative, business and individual performance targets supporting MOL Group and MOL Plc. long-term strategy.

4.2 The short-term incentive framework was designed to include key focus areas in a mix of financial and non-financial KPIs in order to achieve the targets of MOL Group and MOL Plc. The choice of the performance measures reflects a desire from the Corporate Governance and Remuneration Committee to assess the participants based on a broad range of corporate and divisional measures that mirrors the corporate strategy and its related KPIs.
Executive ~~Employees'~~*employees employed by MOL Plc.'* focus is to deliver the MOL Group level EBITDA (which is also the MOL Group corporate target) and other relevant financial indicators defined annually by Group Financial Planning & Reporting. Other relevant financial targets may contain efficiency, investment and cost-related indicators.
Executive ~~Employees~~*employees employed by MOL Plc.* are also accountable for non-financial targets. Sustainable development and safety are high priorities within MOL Group and MOL Plc., which is why the Corporate Governance and Remuneration Committee consistently defines sustainable development & health, safety and environment related performance indicators. Non-financial targets may contain company or divisional level key projects, focusing on people and culture.

4.3 The rate of the short-term bonus is the given ratio of the base salary of the Executive ~~Employees,~~*employees employed by MOL Plc.,* which is defined by the HAY grade of the given job. The final payment is determined in line with the evaluation of performance of the given manager.

4.4 ~~Executive Employees annual~~*Annual* performance *of C-CEO, G-CEO, D-CEO* is evaluated by the Corporate Governance and Remuneration Committee with final approval of the Board of Directors. *The performance of the G-CFO and GSOD EVP is evaluated by CEC with the prior approval of the Corporate Governance and Remuneration Committee.* Target achievement of financial KPIs is based on the evaluation of the Financial Planning & Reporting organization.

4.5 Final short-term incentive payout is defined by the individual target achievement, multiplied by the corporate factor and divisional factor of Group Finance organization in case of G-CFO*, and the divisional factor of Group Strategic Operations and Corporate Development organization in case of GSOD EVP*.

4.6 Executive ~~Employees~~*employees employed by MOL Plc.* have no deferral period or any clawback provision regarding their short-term incentive.

5. Short-term share ownership program

5.1 Executive ~~Employees~~*employees employed by MOL Plc.* can select instead of their short-term incentive a share ownership scheme in each year, which will be operated via a legal entity independent from MOL Plc., called MOL Plc. Employee Share Ownership Program Organization which in compliance with the provisions of the so-called Employee Share Ownership Program (Munkavállalói Résztulajdonosi Program, 'MRP') legislation.

5.2 Program characteristics:

- Joining the program is voluntary.
- The basis of the entitlement is a certain number of shares equal to the short-term incentive entitlement converted to shares with the December average MOL Plc. share price before the target year.
- Final payout is based on the overall performance evaluation, consisting of the Corporate, Divisional and Individual payout rates.
- Further condition for the payment is that the MOL Plc. share price shall be higher at the end of the performance period than it was at the beginning.
- The payment is made in MOL Plc. shares.

6. Long Term Incentive

The purpose of the long-term incentive system is to enhance individual performance to enable future growth of MOL Plc. and MOL Group financial performance and improvement of efficiency by taking into account shareholder interests.
The long-term incentive of the Executive ~~Employees~~*employees employed by MOL Plc.* are managed and paid out in accordance with personal scope and other conditions either through MRP program in line with the provisions set in internal policies.
MOL Plc. long-term incentive scheme consists of two main elements, with following main characteristics:

6.1 Absolute Share Value Based Remuneration

The remuneration can be realized as a difference between a past strike price and a selected spot price. The incentive scheme has the following characteristics:

- It starts annually and covers a 4 or 5-year period. The incentive period can be split into a 1-year individual performance period, and a 3 or 4-year company performance. During the first year of the company performance period the manager cannot access the remuneration. From the third year of the program, the manager can access the remuneration in line with the respective rules.
- The value of the incentive is the difference between the starting price and a selected spot price for each unit of the entitlement.
- The starting price is defined before the performance period begins. The starting price is the average price of MOL Plc. shares weighted with the volume in HUF on the Budapest Stock Exchange in the last quarter of the year before the performance year.
- The selected spot price is the average price of MOL shares in HUF on the Budapest Stock Exchange on the day of redemption. The trading day is freely selected by the Executive Employee *employed by MOL Plc.* however it is limited by applicable insider trading prohibitions.
- The share entitlement is defined based on the position grade, but the final share entitlement is based on the individual performance evaluation during the performance period. During the individual performance evaluation, an individual payout percentage (between 0% and 150%) is set which acts as a multiplier of the share entitlement.
- The payment of the entitlement is in shares or their cash equivalent. The value of the remuneration will be converted to shares based on the 30 days average MOL share price preceding the redemption date. In the case of cash-settlement the remuneration will be paid in the currency requested by the Executive Employee *employed by MOL Plc*.
- Dividend equivalent: the final remuneration will be corrected with the value of the dividend per share paid for MOL Plc. shares in the vesting period after the performance period, in alignment with the share entitlement. The aim of the correction is to correct the long-term incentive with the change of the share price caused by the dividend payment. The dividend equivalent is paid at redemption.

The final share entitlement is influenced also by the individual payout percentage for the performance period:

Individual Payout %		Share number entitlement for the Absolute Share Based Remuneration
0%	>	x0%
Between 1% and 149%	>	Based on individual bonus payout rate
150%	>	x150%

6.2 Relative Market Index Based Remuneration

The program is a 3-year share-based incentive based on MOL Plc. shares relative performance with the following characteristics:

- A new program starts in each year on a rolling scheme with a 3-year vesting period. Payments are due after the 3rd year.
- The target is the development of MOL's share price compared to relevant and acknowledged CEE regional and industry specific indices.
- Basis of the evaluation is the average difference in MOL's year-on-year (12 months) share price performance in comparison to the benchmark indices. Comparisons are made on a USD basis. There are defined payout ratios which are based on the measured difference in MOL's share price performance compared to the two indices, noticed in each year. Final payout ratio is determined by the average of the three years' payout ratios over the performance period.
- The expected payout amount is additionally linked to individual short-term performance to establish a link between short-term and long-term performance as well.
- The remuneration is paid in MOL Plc. shares or in a form of cash settlement. In the case of cash-settlement the remuneration will be paid in the currency requested by the Executive Employee *employed by MOL Plc*.

6.3. Performance measures of the long-term incentive plans

6.3.1. The choice of the long-term incentive plans is linked to the share price reflecting the Board of Director's strategic priority on reaching continuous and sustainable value creation. Through its long-term incentive schemes, MOL Plc. prioritizes to provide its shareholders with a return on their investment.

6.3.2. During the selection of the two benchmark indices, relevant regional and industry specific companies were considered to be incorporated to reflect that MOL competes for investors on a regional basis (Central and Eastern Europe) as well as in the global emerging market Oil & Gas sector. By applying these two indices as reference points, it is ensured that MOL Plc.'s incentive system is based on relevant and strategic long-term targets.

6.4. Restricted Share Plan (As of 1 January 2021)

The Restricted Share Plan is a share based incentive based on the quantitative/ measurable performance of MOL Group, the individual performance of the manager and the MOL Plc. share price.
Main features of the incentive scheme:

- A new program starts in each year on a rolling scheme with a 3-year performance period. Payments are due 4th year.
- Corporate performance – MOL Group EBITDA performance – is evaluated after the 3-year performance period.
- Individual performance is evaluated after the 3-year performance period.
- The above methodology ensures that both corporate and individual performance is ~~refelected~~*reflected* in the final incentive amount.
- Further condition for the payment is that the MOL Plc. share price shall be higher at the end of the performance period than it was at the beginning.
- The payment is made in MOL Plc. shares.

7. Proportion of the remuneration elements of the Executive Directors

The proportional share of individual components of remuneration of the Executive Directors are determined as follows:

Position	Annual Base Salary	Short-term incentive	Long-term incentive
C-CEO	27%	27%	46%
G-CEO	30%	30%	41%
D-CEO	37%	31%	32%
G-CFO	~~34~~*35%*	~~29~~*30%*	~~37~~*35%*
GSOD EVP	*32%*	*27%*	*41%*

Relative ratios displayed are subject to changes in the remuneration package of the Executive ~~*Employees.*~~*employees employed by MOL Plc..*

8. Benefits

8.1. Benefits of the Executive ~~**Employees**~~***employees employed by MOL Plc.*** **are the following:**

8.1.1. Status car for business and private usage

8.1.2 Personal insurances

8.1.3. Health and wellbeing benefits

Benefits in 8.1.2 – 8.1.3 points might be provided to close relatives of the Executive ~~Employees~~*employees employed by MOL Plc.* as well.

8.2. Executive ~~**Employees**~~***employees employed by MOL Plc.*** **with non-Hungarian permanent residency are entitled for the following benefits:**

- Support of housing
- International Health insurance
- Shipment services
- Tax advisory services
- Immigration services
- Home Leave Allowance
- Schooling/Kindergarten/Nursery allowance
- Settling-in Allowance
- Tax Reimbursement Scheme ensures that the employee has to bear solely the Hungarian tax obligations. All other foreign tax liabilities which may arise ~~on~~*for* the *Executive Employee employed by MOL Plc. in relation to their MOL Plc.* employment~~ income received from MOL Plc.~~ is covered by the company.

Benefits in 8.2 might be provided to close relatives of the Executive ~~Employees~~*employees employed by MOL Plc.* as well.

8.3. Other cost reimbursements

Executive ~~Employees~~*employees employed by MOL Plc.* are entitled to claim refund for their documented travel expenses, documented accommodation costs, meals, other expenditures that have been lawfully incurred in the performance of their activity or for the purpose of performing tasks for the Company.

9. Optional share-based self-financed investment scheme

In case Special Employee Share Ownership Program ('SESOP') is being set up by initiation of employees and in case the Company provides support for the program, the support is provided along the same rules regarding directors, in case they decide to enter.

ARTICLE V

Other essentials of remuneration rules

1. Description of the decision-making process applied to approve, review and implement remuneration rules, including measures to prevent and resolve conflicts of interest:

1.1 With regard to the Executive ~~Employees'~~*employees employed by MOL Plc.'* remuneration, the Executive Employee *employed by MOL Plc.* concerned shall not be involved in the adoption of the decision which is made pursuant to Article IV. of the present Remuneration Policy. In accordance with the above mentioned, in case of panel decision, if the Executive Employee *employed by MOL Plc.* is a member of the decision-making panel, that Executive Employee *employed by MOL Plc.* shall not cast a vote and (s)he shall be disregarded in such decision making when establishing the quorum.

1.2 These remuneration rules have been developed in accordance with the existing remuneration practice providing remuneration in MOL Plc.

1.3 In accordance with Section 3:268 of the Civil Code, these remuneration rules need to be discussed on the General Meeting of the Company for voting but in case of any major change, but at least in every 4 years.

-*1.4.*The Company is required after any change in the remuneration policy to respect the purpose and objectives of these rules. The full version of the remuneration rules must include also all relevant modifications and explanations thereof and the manner of taking into account the votes and diverging views of shareholders presented at the General Meeting on the approved changes and all remuneration reports from the last vote on remuneration rules at the General Meeting.

1.5 In line with the Remuneration Policy, the remuneration rules, basic principles and conditions for members of bodies of the public shareholding company MOL Plc shall be approved by following bodies:

<table>
<tr><th>Functions</th><th>Proposal</th><th>Decision</th></tr>
<tr><td>Member of Board of Directors</td><td>Board of Directors</td><td>Annual General Meeting of MOL Plc.</td></tr>
<tr><td>Member of Supervisory Board</td><td>Board of Directors</td><td>Annual General Meeting of MOL Plc.</td></tr>
<tr><td rowspan="2">Chief Executive Committee (Members of Chief Executive Committee are C-CEO, G-CEO and D-CEO)</td><td>In case of Chief Executive Officers: Corporate Governance and Remuneration Committee</td><td>Board of Directors</td></tr>
<tr><td>In case of D-CEO: Corporate Governance and Remuneration Committee</td><td>Prior information to Board of Directors and approval of the Manager exercising employer rights</td></tr>
<tr><td>Group Chief Financial Officer (G-CFO) and Group Strategic Operations and Corporate Development EVP (GSOD EVP)</td><td>Corporate Governance and Remuneration Committee</td><td>Prior approval of Chief Executive Committee and approval of the Manager exercising employer rights</td></tr>
</table>

Human Resources as process owner is responsible for preparation of the proposal and for the execution.

1.6. Deviation from the Remuneration Policy is only possible in case of remuneration elements stipulated in Article IV, in extraordinary cases, temporarily, in case it is necessary to maintain long-term interests and sustainable operation of the company. In such case, the Remuneration policy is subject to the approval of the Board of Directors with the prior approval of the Corporate Governance and Remuneration Committee and is submitted by Human Resources. The proposal shall include the detailed description and reason of the change.

~~2~~1 Justification for taking into account wage conditions and working conditions of company employees when preparing and drawing up remuneration rules

2.1 MOL Plc. takes into account employee wage conditions through its consistent Hay grading and pay benchmarks when paying remuneration to Directors regarding all component of remuneration for performance of their functions as Directors.

ARTICLE VI

Final provisions

1. The Company is obliged to pay remuneration to the Directors in a transparent manner, in accordance with the approved remuneration rules of MOL Plc.
2. The Company shall ~~publish~~, *following the advisory voting of the General Meeting*, without undue delay, *publish* the ~~approved remuneration rules~~*Remuneration Policy* on its website, together with the date ~~of General Meeting~~ and the result of the vote of the General Meeting~~. The~~ *and the* Company will provide free access to ~~approved remuneration rules~~ *Remuneration Policy* throughout ~~their~~*its* term of validity.

~~3. These remuneration rules have been developed in~~ *In* accordance with ~~the Company´s business strategy, its long-term objectives and striving for sustainability. The rules are clear and comprehensible, include measures to avoid conflict of interest, and include all mandatory elements as laid down in~~ Section ~~16-18~~*3:268 of the Civil Code, in case* of *any major change, but at least in every 4 years,* the Remuneration ~~Act.~~

~~4.~~*3.* ~~The decision~~*Policy shall be put on the agenda* of the General Meeting of the Company ~~is always required to amend, supplement or revoke these remuneration rules, except if the Company´s obligation to dispose of the remuneration rules expires ex lege (directly by law).~~*for advisory voting. Any amendment, other than major change, belongs to the competence of the Board of the Directors.*

~~5. The present amended Remuneration Policy shall take effect from 1 December 2021.~~

~~6.~~*4.* ~~The Remuneration Policy and any modifications falls into the responsibility~~*The date of the advisory vote* of the General Meeting ~~as laid down in the Section 16-18~~*regarding the present consolidated version* of the Remuneration ~~Act.~~*Policy: 28 April 2022, the result of the advisory vote: [*]*

~~Done in Budapest, on 1 December 2021.~~

**Shall be completed following the voting of the General Meeting.*