

CORPORATE GOVERNANCE

MOL 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 is inevitably necessary to enhance the generation of exceptional value for MOL's shareholders and people.

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 also 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 both stock exchanges each year.

MOL's corporate governance practice meets the requirements of the regulations of the Budapest Stock Exchange, the recommendations of the Hungarian Financial Supervisory Authority and the relevant regulations of the Capital Market Act. MOL also subjects its policies to regular review to ensure that they take account of continually evolving international best practice in this area. MOL's Corporate Governance Code containing the main corporate governance principles of the Company was adopted in 2006 for the first time and its last update was fulfilled in 2015. This Code summarises its approach to shareholders' rights, main governing bodies, remuneration and ethical issues. The Corporate Governance Code has been published on the homepage of the Company.

NAME	STATUS	MANDATE
Zsolt Hernádi, Chairman-CEO	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 24 February 1999
Dr. Sándor Csányi, Deputy Chairman	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 20 October 2000
Mulham Al-Jarf	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 23 April 2008 and resigned from his position effective 29 April 2014
Dr. Miklós Dobák	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 28 April 2000 and mandate expired on 29 April 2014
Dr. Gábor Horváth	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 24 February 1999 and mandate expired on 24 February 2014
Zsigmond Járai	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
József Molnár	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 12 October 2007
Dr. László Parragh	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
Iain Paterson	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 24 February 1999 and mandate as member of the Board of Directors expired on 24 February 2014
Dr. Martin Roman	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 29 April 2010
Dr. Oszkár Világi	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 1 May 2011
Dr. Anthony Radev	non-independent	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2014
Dr. Anwar al-Kharusi	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2014
Dr. Martonyi János	independent	Elected by the Annual General Meeting to be member of the Board of Directors from 1 July 2014

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 consideration of other stakeholders' interests; 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.

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

The principles, policies and goals take account of the Board's specific and unique relationship with MOL's shareholders, the executive management and the Company. The composition of the Board reflects this with the majority (seven of ten members) made up of non-executive directors. At present, 6 members of the Board of Directors qualify as independent on the basis of its own set of criteria (based on NYSE and EU recommendations) and the declaration of directors. The members of the Board of Directors and their independence status in 2014 (professional CVs of the members are available on corporate homepage.)

OPERATION OF THE BOARD OF DIRECTORS

The Board acts and makes resolutions as a collective body.

The Board adopted a set of rules (Charter) to govern its own activities

when the company was founded in 1991; these rules were updated in March 2015 to ensure continued adherence to best practice standards.

The Board 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 Vice 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.

Members of the Board have signed a declaration on conflict of interest and have reported their position as director of the Board to their employer or principal as regards other key management positions.

The Board of Directors prepares a formal evaluation of its own and its Committees, performance and it continuously reviews its activity on a yearly basis.

Report of the Board of Directors on its 2014 activities

In 2014, the Board of Directors held 6 meetings with an average attendance rate of 88%.

Attendance to the Board of Directors meetings during 2014 is set out in the table below:

MEMBERS	NUMBER OF MEETINGS	ATTENDANCE RATIO	COMMENTS
TOTAL	6	88%	
Zsolt HERNÁDI	5	83%	
Dr. Sándor CSÁNYI	4	67%	
József MOLNÁR	6	100%	
Dr. Miklós DOBÁK	2	100%	Mandate as member of the Board of Directors expired on 29 April 2014
Dr. Gábor HORVÁTH	1	100%	Mandate as member of the Board of Directors expired on 24 February 2014
Zsigmond JÁRAI	6	100%	
Dr. László PARRAGH	5	83%	
Iain PATERSON	1	100%	Mandate as member of the Board of Directors expired on 24 February 2014
Mulham AL-JARF	2	100%	Resigned from his position as member of the Board of Directors effective from 29 April 2014
Martin ROMAN	4	67%	
Dr. Oszkár VILÁGI	5	83%	
Dr. Anthony RADEV	3	100%	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2014
Dr. Anwar AL-KHARUSI	3	100%	Elected by the Annual General Meeting to be member of the Board of Directors from 30 April 2014
Dr. János MARTONYI	3	100%	Elected by the Annual General Meeting to be member of the Board of Directors from 1 July 2014

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, whilst individually evaluating the performance of each of the company's business units. The Board of Directors respectively paid attention to the follow-up on industry macro trends, the treatment of the challenges driven by the external environment, the financial, operation and efficiency improvement challenges regarding INA consolidation and the strategy update process.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board operates committees to increase the efficiency of the Board's operations, and to provide the appropriate professional background to decision-making. The Committees are bodies for preparation, advising, opinion-forming and proposal-preparing support concerning issues specified in the Decision-making and Authorities List, which sets out the division of authority and responsibility between the Board and the executive management.

- The responsibilities of the Committees are determined by the Board of Directors.
- The Chairman of the Board of Directors may also request the Committees to perform certain tasks.

The members and chairs of the Committees are elected by the Board of Directors. The majority of the committee members is non-executive and independent.

The Board allocates responsibilities to the various Committees as follows:

Corporate Governance and Remuneration Committee:

Members and dates of appointment to the Committee (professional backgrounds of members are available on the corporate website):

- Dr. Sándor Csányi – Chairman, 17 November 2000
- Zsolt Hernádi, 8 September 2000
- Dr. Gábor Horváth, 8 September 2000¹
- Dr. Martin Roman, 4 June 2010
- Mulham Al-Jarf, 23 April 2008²
- Dr. Anthony Radev, 30 May, 2014³
- Dr. János Martonyi, 1 July, 2014⁴

Responsibilities:

- analysis and evaluation of the activities of the Board of Directors,
- issues related to Board/Supervisory Board membership,
- promoting the relationship between shareholders and the Board,
- procedural and regulatory issues,
- reviewing corporate processes, procedures, organisational solutions, compensation and incentive systems, and making recommendations on the introduction of best practice standards.

Report of the Corporate Governance and Remuneration Committee on its 2014 activities

In 2014, the Corporate Governance and Remuneration Committee held 6 meetings with a 90% average attendance rate. Attendance to the Committee meetings during 2014 is set out in the table below:

	NUMBER OF MEETINGS	ATTENDANCE RATIO
TOTAL	6	90%
Dr. Sándor CSÁNYI	5	83%
Zsolt HERNÁDI	5	83%
Mulham AL-JARF ²	2	100%
Dr. Martin ROMAN	5	83%
Dr. Anthony RADEV ³	3	100%
Dr. János MARTONYI ⁴	3	100%

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

Finance and Risk Management Committee:

Members and dates of appointment to the Committee (professional backgrounds of members are available on the corporate website):

- Dr. Miklós Dobák – Chairman, 25 October 2002⁵
- Zsigmond Járai – Chairman, 4 June 2010
- Iain Paterson, 8 September 2000⁶
- Dr. László Parragh, 20 February 2014
- Dr. Anthony Radev, 30 May 2014³
- Dr. Anwar al-Kharusi, 30 May 2014⁷

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

Responsibilities:

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

Report of the Finance and Risk Management Committee on its 2014 activities

In 2014, the Finance and Risk Management Committee held 5 meetings with a 83% average attendance rate. Attendance to the Committee meetings during 2014 is set out in the table below:

	NUMBER OF MEETINGS	ATTENDANCE RATIO
TOTAL	5	83%
Dr. Miklós DOBÁK ⁵	2	100%
Zsigmond JÁRAI	4	80%
Dr. László PARRAGH	3	75%
Iain PATERSON ⁶	1	100%
Dr. Anthony RADEV ³	1	50%
Dr. Anwar AL-KHARUSI ⁷	2	100%

In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance with 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 position and status reports on risk management actions attached to these factors.

Sustainable Development Committee:

Members and dates of appointment to the Committee (professional backgrounds of members are available on the corporate website):

- Iain Paterson – Chairman, 29 June 2006⁶
- Dr. László Parragh – Chairman, 4 June 2010⁸
- József Molnár, 5 September 2013 (interim Chairman between 20 February and 30 May 2014)
- Dr. Anwar al-Kharusi, 30 May 2014⁷
- Dr. János Martonyi, 1 July 2014⁴
- Dr. Oszkár Világi, 30 May 2014⁹

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

Responsibilities:

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

Report of the Sustainable Development Committee on its 2014 activities

In 2014, the Sustainable Development Committee held 4 meetings with a 90% attendance rate. Attendance to the Committee meetings during 2014 is set out in the table below:

	NUMBER OF MEETINGS	ATTENDANCE RATIO
TOTAL	4	90%
Iain PATERSON ⁶	1	100%
József MOLNÁR	4	100%
Dr. László PARRAGH ⁸	4	100%
Dr. Oszkár VILÁGI ⁹	0	0%
Dr. Anwar AL-KHARUSI ⁷	2	100%
Dr. János MARTONYI ⁴	2	100%

The Committee evaluated the accomplishment of actions in 2014, formed opinion on Sustainable Development Report and decided on 2015 directions and targets. The Committee paid special attention to the results achieved in the Dow Jones Sustainability Evaluation together with the necessary development actions, as well as sustainable development reports of business units.

RELATIONSHIP BETWEEN THE BOARD AND THE EXECUTIVE MANAGEMENT

The governance of the Company is carried out in line with standardised corporate governance principles and practice, and, within its framework, the Board of Directors will meet its liabilities for integrated corporate governance by defining the responsibilities and accountabilities of the Executive Board, established by the Board and securing the corporate operative activities, operating and organisational procedures, as well as a standardised system for target-setting, reporting and audit (performance control system and business control system).

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 efficiently developing and operating MOL Group processes.

Control and management of MOL Group will be implemented through business and functional organisations. The Executive Board (hereinafter "EB") will be responsible for harmonising their activities.

The EB is a forum for decision preparation that has a role of providing a direct link between the Board of Directors and the Company's staff and at the same time canalizing the matters submitted to the full Board. The EB renders preliminary opinions on certain proposals submitted to the Board, and the EB is also responsible for the oversight of the execution of the Board's resolutions.

¹ Mandate of Dr. Gábor Horváth as member of the Board of Directors expired on 24 February 2014

² Mulham Al-Jarf resigned from his position as member of the Board of Directors effective 29 April 2014

³ Dr. Anthony Radev was elected to be a member of the Committee by the Board of Directors on 30 May 2014

⁴ Dr. János Martonyi was elected to be a member of the Committee by the Board of Directors on 1 July 2014

⁵ Mandate of Dr. Miklós Dobák as member of the Board of Directors expired on 29 April 2014

⁶ Mandate of Iain Paterson as member of the Board of Directors expired on 24 February 2014

⁷ Dr. Anwar al-Kharusi was elected to be a member of the Committee by the Board of Directors on 30 May 2014

⁸ Dr. László Parragh was elected to be the Chairman of the Committee by the Board of Directors on 30 May 2014

⁹ Dr. Oszkár Világi was elected to be a member of the Committee by the Board of Directors on 30 May 2014

At EB meetings, each member has an obligation to express their opinion, on the basis of which final decisions are made by the Chairman-CEO. In case of a difference of opinion between the Chairman-CEO, GCEO or GCFO, the decision shall be made by the Board of Directors.

THE EXECUTIVE BOARD (EB) MEMBERS IN 2014:

Zsolt Hernádi	Chairman-CEO (C-CEO)
József Molnár	Group Chief Executive Officer (GCEO)
Zoltán Áldott	Executive Vice President, President of the Management Board, INA d.d.
Sándor Fasimon	Executive Vice President, MOL Hungary (COO)
Ferenc Horváth	Executive Vice President, Downstream
József Simola	Group Chief Financial Officer (GCFO)
Dr. Oszkár Világi	Executive Vice President, C-CEO, Slovnaft a.s.
Alexander Dodds	Executive Vice President, Exploration and Production

In 2014, the Executive Board held 29 meetings and discussed ten issues per meeting on average.

ANNUAL REMUNERATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS

As of 1 January 2009, the members of the Board of Directors have been entitled to the following fixed net remuneration after each AGM:

Members of the Board of Directors	25,000 EUR/year
Chairmen of the Committees	31,250 EUR/year

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 occasions) when they travel to Hungary.

INCENTIVE SCHEME FOR THE MEMBERS OF THE BOARD OF DIRECTORS

To ensure uniformity and transparency, in addition to fixed remuneration, MOL operates an incentive scheme for members of the MOL Board of Directors, which supports further commitment of the participants and takes the Company's profitability and long-term growth into consideration. This helps ensure that the interests of the participants in the compensation program coincide with interests of the shareholders. Main principles for the incentive scheme for the Board of Directors were approved by the Annual General Meeting (AGM) on 26 April 2012 and it has been effective since 2012.

Incentive based on share allowance

From 1 January 2012 the Profit Sharing Incentive Plan based on the value-added method has been replaced by an incentive based on

share allowance as the long-term incentive for members of the Board of Directors. Shares are granted first from 2013.

The aim of the new share-based incentive is to ensure the interest in long-term stock price growth and maintain motivation in addition to a dividend payment for which a 1 year retention obligation (restraint on alienation) has also been 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.

Share allowance

Number of shares:

- for members of the Board of Directors: 100 pieces of „A” series ordinary MOL shares per month,
- for the Chairman of the Board of Directors: additional 25 pieces of „A” series ordinary MOL shares per month. If the Chairman is not a non-executive director, the deputy chairman (who is non-executive) is entitled to this extra remuneration (25 pieces / month).

The share allowance is provided once a year, within 30 days after the Annual General Meeting closing the given business year.

Cash allowance

The incentive based on share allowance is a net incentive, therefore the Company pays 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 these, there is a cash allowance component of the incentive system.

The rate of the cash allowance is the gross value of taxes, contributions and other payables incurred upon acquisition of the shares in line with the relevant and effective laws, also including the tax difference and contributions incurring in the country of tax-residence for non-Hungarian members of the Board of Directors.

Other benefits

Other non-financial benefits include life and accident, travel- and liability insurance. Besides this, an annual health screening and an exclusive healthcare package is also available for members of the Board of Directors.

INCENTIVE SYSTEM FOR THE TOP MANAGEMENT, MOL GROUP EXECUTIVE BOARD

The strategy behind MOL's remuneration is to provide incentives for executives and top management to deliver on the company's strategy, and reward them for the achievement of strategic goals through a combination of short-term and long-term incentives. The Corporate Governance and Remuneration Committee (CGRC) recognises that

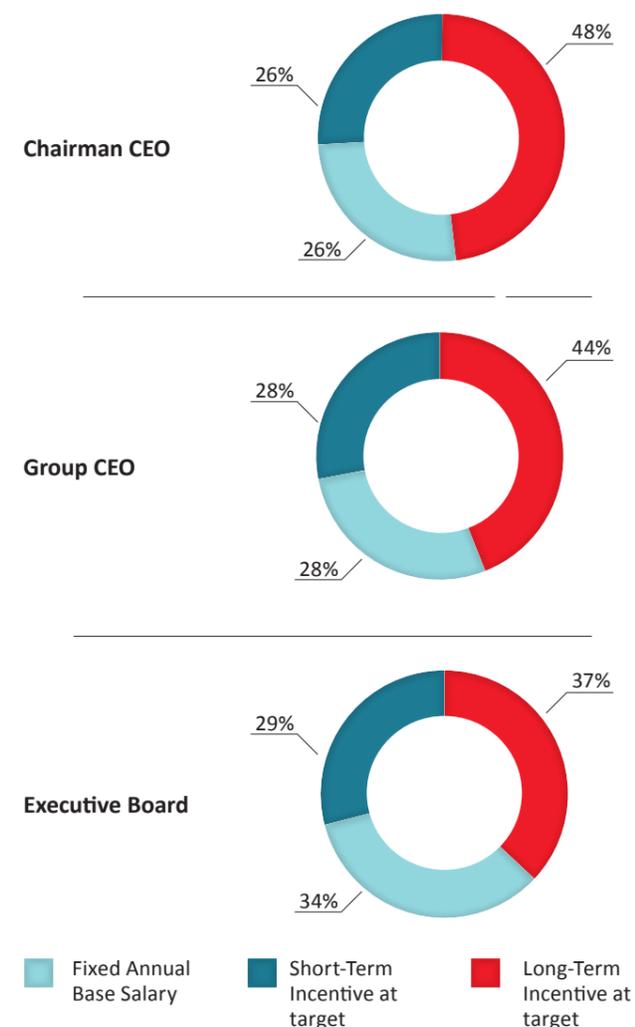
remuneration plays an important role in supporting the achievement of the goals. Through the design of its incentive schemes, MOL wishes to ensure that executive remuneration is aligned with and supports the company's strategic objectives within a framework that closely aligns the interests of MOL executives to those of our shareholders.

1. The MOL Group Executive Board (EB) Remuneration Matrix key pillars are:

- **Annual Base Salary (BS):** fixed annual amount paid to the individuals
- **Short Term Incentive (STI):** annual bonus based on individual and company performance
- **Long Term Incentive (LTI):** promotes performance-driven culture and enhances strategic focus on the top management team in line with the interests of MOL Group shareholders

The Remuneration Mix of Top Management:

The incentive system for top management in 2014 included the following elements:



2. Short Term Incentive (bonus)

The basis of the Short-term incentive is a target of 85-100% of the annual base salary. The amount thereof is defined in line with the performance evaluation of the given manager.

Based on MOL Group's decision-making authorities, the C-CEO and G-CEO's annual performance is evaluated by the Corporate Governance and Remuneration Committee (CGRC) with final approval of the MOL Board of Directors (BoD).

For the 2014 plan year, the MOL Group Executive Board's STI framework was unified with the following performance measures in line with the goals of all EB members:

KPI	DEFINITION
Financial	Mandatory elements are 2014 MOL Group CCS EBITDA and Divisional targets (EBIT, EBITDA, ROACE, CAPEX efficiency, OPEX etc.) related to individual EB members and relevant to each director's business area. Divisional targets exclude the C-CEO and G-CEO as these are not applicable.
Non-financial	SD and HSE targets: SD and Health and Safety targets defined to each EB member in-line with their business strategies Human Resources targets: support the execution of the Annual People Cycle to enhance MOL Group's performance culture – enhance employee engagement level of the company by implementing action plans based on the Engagement Survey Individual targets: divisional business targets translated to KPI and Non-KPI individual targets, which are cascaded to lower levels

Choice of Performance Measures for the STI

The aim of the MOL STI scheme is to focus participants on achieving financial, business and individual performance goals with respect to the delivery of key annual business priorities within the framework of the MOL Group's long-term strategy. The choice of the aforementioned performance measure reflects a desire from the CGRC to assess participants based on a broad range of corporate and divisional measures that mirror the corporate strategy and its related KPIs. The achievement of these annual performance measures should translate into the creation of sustainable shareholder value in the long term, which is captured by the Long-Term Incentive System.

The outcome of the STI is not driven by a purely formulaic approach, as no specific weight has been assigned to each performance measure in order to prevent overemphasis on one at the expense of others. The CGRC will rigorously assess performance at the end of the period, and judge whether the results set against the performance measures are an adequate reflection of the underlying performance of the MOL Group.

3. Long-Term Incentive system

The overarching purpose of the current long-term incentive systems is to drive and reward the delivery of sustainable value creation and to provide greater alignment with MOL shareholders.

The system consists of two elements, a Stock Option Plan (50%) and a Performance Share Plan (50%).

The main characteristics of the two incentive schemes are as follows:

a) Stock Option Plan

The Stock Option Plan is an option to hypothetically sell MOL shares granted on a past strike price at a spot price and so realise a profit based on the difference between the two prices. The incentive scheme has the following characteristics.

- It covers a five-year period starting annually, with the period being split into a two-year vesting period (exercising of Stock Options is not possible) and a three-year exercising period. If the Stock Option is not exercised, it lapses on 31 December of the last year.
- The grants are defined in line with job categories.
- The rate of incentive is linked to individual short-term performance within the STI framework described above.

As a new component of the managerial remuneration package from 2013, managers who are entitled to the Long-Term Incentive scheme, are also eligible for an annual one-time payout if the Annual General Meeting of MOL Plc. decides on a dividend payment for the given year. The amount thereof is equal to the product of the dividend paid for one share and the numbers of Stock Options awarded to the given manager. The purpose of the incentive is to balance the incentive in terms of share price movements after dividend payments of the Company.

b) Performance Share Plan

The Performance Share Plan is a three-year cash-based programme using a comparative share price methodology with the following characteristics:

- The programme starts each year on a rolling scheme with a three-year vesting period. Payments are due after the third year.
- The target is the development of MOL's share price compared to relevant and acknowledged regional and industry-specific indicators (the CETOP20 and DJ Emerging Market Titans Oil&Gas 30 Index that covers both regional and industry peers).
- The basis of the evaluation is the average difference in MOL's year-on-year share price performance in comparison to the benchmark indices over three years.

The rate of incentive is linked to individual short-term performance.

Choice of Performance Measures for the LTI

The decision to link LTI awards to the share price and dividend disbursement reflects the Board's strategic priority to restore value creation. Through its Long-Term Incentives schemes, MOL prioritises providing its shareholders with a return on their investment through both the appreciation of the share price and the payment of dividends.

The choice of CETOP20 and Dow Jones Emerging Market Titans Oil&Gas 30 Index reflects the fact that MOL competes on a regional basis (Central and Eastern Europe) for investor flows, as well as with the global emerging market oil & gas sector. The choice of these two indexes is consistent with the purpose of incentivising and ultimately rewarding executives for providing competitive returns to current as well as future investors over the long-term relative to the broader regional and global oil and gas markets.

As the previous one-year based Profit Sharing incentive was replaced by the three-year based Performance Share Plan in 2013, a one-year incentive was introduced for 2013 and a two-year incentive was introduced for 2013-2014 to ensure continuity.

Other Fringe Benefits

These include company cars (also used for private purposes), life and accident insurance, travel insurance, liability insurance, an annual health check and comprehensive healthcare services.

SUPERVISORY BOARD

The Supervisory Board is responsible for monitoring and supervising the Board of Directors on behalf of 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 present membership is nine. In accordance with Act V of 2013 on the Civil Code, which stipulates that one third of members shall be representatives of employees, three members of the MOL Supervisory Board are employee representatives with the other six external persons appointed by the shareholders.

The members of the Supervisory Board and their independence status:

THE EXECUTIVE BOARD (SB) MEMBERS IN 2014:

György Mosonyi, Chairman	non-independent
Dr. Attila Chikán, Deputy Chairman	independent
John I. Charody	independent
Slavomír Hatina	independent
Attila Juhász	non-independent (employee representative)
Dr.sc. Žarko Primorac	independent
Andrea Hegedűs	non-independent (employee representative)
Dr. Sándor Puskás	non-independent (employee representative)
István Töröcskei	independent

The Chairman of the Supervisory Board is a permanent invitee to 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 company's operations and the reports of Internal Audit and Corporate Security, while it is also informed and kept updated on other relevant topics. In addition, the Supervisory Board reviews proposals for the Annual General Meeting. The Supervisory Board reviews its annual activity during the year. In 2014, the Supervisory Board held five meetings with a 91% attendance rate.

Remuneration of members of the Supervisory Board

The Annual General Meeting held on 27 April 2005 approved the remuneration scheme for the Supervisory Board. Under this scheme, the

members of the Supervisory Board receive remuneration of EUR 3,000/month, while the Chairman of the Supervisory Board receives remuneration of EUR 4,000/month. In addition to this monthly fee, the Chairman of the Supervisory Board is entitled to receive gross EUR 1,500 for participation in each Board of Directors or Board Committee meeting, up to 15 times per annum. From 1 January 2012, the Chairman of the Audit Committee is also entitled to receive gross EUR 1,500 for participation 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 meeting that is held in addition to scheduled annual meetings. This remuneration is provided up to two times a year.

Other benefits

The members of the Supervisory Board are entitled to receive further non-financial benefits, including life and accident insurance, travel and liability insurance. An annual health screening and an exclusive healthcare package is also available for the members of the Supervisory Board.

AUDIT COMMITTEE

In 2006, the general meeting appointed the Audit Committee comprised of independent members of the Supervisory Board. The Audit Committee strengthens independent control over the financial and accounting policy of the Company. The independent Audit Committee's responsibilities include the following activities:

- providing assistance to the Supervisory Board in supervising the financial report regime in selecting an auditor, and in working with the auditor;
- perform audit committees tasks for subsidiaries which are consolidated by the Company, operating as public limited companies or issuing securities admitted to trading on a regulated market, if the relevant laws allow for this and the subsidiary in question does not operate a separate audit committee.

Members of the Audit Committee and dates of appointment (professional backgrounds of members are published on the corporate website):

- Dr. Attila Chikán - Chairman, 27 April 2006
- John I. Charody, 27 April 2006
- István Töröcskei 1 May 2011

and, in the event of long-term incapacitation of any of the permanent members, Dr.sc. Žarko Primorac.

Report of the Audit Committee on its 2014 activities

In 2014, the Audit Committee held five meetings with a 100% attendance rate. In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance with 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 position and status reports on risk management actions attached to these factors. The Audit Committee continuously monitored the Company's financial position in particular with regard to the

impact of the financial crisis. The Audit Committee also reviewed the materials of the Annual General Meeting (i.e. financial reports, statements of the Auditor).

EXTERNAL AUDITORS

The MOL Group was audited by Ernst and Young in both 2014 and 2013, with the exception of FGSZ Zrt. (which was audited by Pricewaterhouse Coopers). Within the framework of the audit contract, E&Y performs an audit of statutory financial statements, including interim financial statements of MOL Plc. prepared in accordance with Law C of 2000 on Accounting and the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS). Audits of the above financial statements are carried out in accordance with the Hungarian National Standards on Auditing, the International Standards on Auditing (ISA), the provisions of Accounting Law and other relevant regulations. The auditors ensure the continuity of the audit by scheduling regular on-site reviews during the year, participating in the meetings of MOL's governing bodies and through other forms of consultation. The auditors also review stock exchange reports issued quarterly; however, they do not perform an audit of or issue any opinion on such reports.

E&Y also provided other services to MOL Group. Summary of the fees paid to the auditors in 2014 and 2013 are as follows (HUF m):

	2014	2013
Audit fee for MOL Plc. (including audit fee for interim financial statements)	154	154
Audit fee for subsidiaries	524	373
Other audit related services*	15	23
Other non-audit services*		152
Tax advisory services	303	330
Total	1 148	882

*The specification has been modified for more transparent communication.

The increase in audit fees for subsidiaries results almost entirely from the recent acquisitions (Wintershall, Premier Oil and Eni) and activities in connection with new legal entities. Other non-audit services increased due to the relocation of certain subsidiaries to the Netherlands in connection with international Upstream operations. The Board of Directors does not believe that non-audit services provided by E&Y compromised their independence as auditors.

RELATIONSHIP WITH THE SHAREHOLDERS, PROHIBITION OF INSIDER TRADING

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.

Formal channels of communication with shareholders include the Annual Report and Accounts and the quarterly interim management reports, as well as other public announcements made through the Budapest Stock Exchange (primary exchange) and the Warsaw Stock Exchange. Regular and extraordinary announcements are published on MOL's website and the Financial Authority's publication site. Moreover, we also send e-mail announcements to those who registered to be subscribed to the distribution list of e-mail announcements of the Investor Relations. In addition, presentations on the business, its performance and strategy are given to shareholders at the Annual General Meeting. Regular Roadshow visits are also made to various cities in the UK, the US and Continental Europe, where meetings are held with representatives of the investment community, including MOL shareholders and holders of MOL's Global Depository Receipts. Furthermore, investors are able to raise questions or make proposals at any time during the year, including at the Company's General Meeting. Investor feedback is regularly reported to the Board of Directors.

MOL has an Investor Relations department 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 this Annual Report). Extensive information is also made available on MOL's website (mol.hu/en/), which has a dedicated section for shareholders and the financial community. MOL has always paid special attention to providing wide range of information to the capital markets in line with international best practice. The Investor Relations Department of MOL continuously updates its website (direct link at: molgroup.info/en/investor-relations). The aim of the development is to make the website even more user-friendly in accordance with the intention to continuously improve our services, and meet the requirements of our shareholders, analysts and other capital market participants.

In 2014, MOL participated in six roadshows and 11 investor conferences (1 US and 16 European), and had around 230 meetings with potential and existing shareholders. Moreover, one dedicated road show was organised to bond investors and MOL participated in three dedicated conferences to bond investors.

MOL Group is committed to the fair marketing of publicly-traded securities. Insider trading in securities is also regarded as a criminal offence in most of the countries in which MOL Group carries out its business. Therefore, we require not only full compliance with relevant laws, but also the avoidance of even the appearance of insider securities trading and consultancy.

In line with the relevant laws and MOL's insider trading regulations:

- it is prohibited to conclude a transaction, directly or indirectly, using inside information involving financial instruments to which the insider information pertains, or to commission the services of others to transact such deals, to convey insider information to others, to make a suggestion to another person to engage in dealing with any financial instrument to which the insider information pertains.
- in case the insider information concerns another listed company, belonging to MOL Group, the trading prohibition shall be also applied to the related financial instruments of that company.

EXERCISING SHAREHOLDERS RIGHTS, GENERAL MEETING PARTICIPATION

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. Actual voting power depends on how many shares are registered by the shareholders participating in the general meeting.

A 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 depository 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 Articles of Associations: "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 Articles 10.1.1 and 10.1.2.

Further, the shareholder shall, at the request of the Board of Directors, immediately identify the ultimate beneficial owner with respect to the shares owned by such shareholder. If the shareholder fails to comply with the above request or in case there is a reasonable ground to assume that a shareholder made a 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 said requirements is assured.

According to Article 10.1.1 of Articles of Associations: "No shareholder or shareholder group (as defined in Article 10.1.2 of Articles of Associations) may exercise more than 10% of the voting rights with the exception of the organisation(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 the 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 with 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 controls at least one per cent of the votes in the Company proposes certain additions to the agenda in accordance with the provisions on setting the items of the agenda, or tables 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 a 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 corporate website according to the Articles of Association. The ordinary general meeting is usually held in April in line with current regulations.

The ordinary general meeting, based on the proposal of Board of Directors approved by the Supervisory Board, shall have the authority to determine profit distribution, i.e. the amount of 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 also be paid in non-cash form.

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

MOL GROUP GOVERNANCE FRAMEWORK

